July 5, 2019

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 Sir/Madam,

Sub: Notice of 12th Annual General Meeting along with Annual Report for FY 2018-19

Pursuant to Regulation 34 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of the 12th Annual General Meeting of the Company to be held on Friday, August 2, 2019 at 4.30 P.M. at Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G.N. Chetty Road, T. Nagar, Chennai – 600017 along with Annual Report for FY 2018-19.

We further wish to inform you that the soft copy of Annual Report is being uploaded in our website.

Kindly take the above information on record.

Thanking you,

Yours truly,
For Equitas Holdings Limited

Deepti R
Company Secretary

EQUITAS HOLDINGS LIMITED

CIN : L65100TN2007PLC064069
Regd. Office: 410A, 4th Floor, Spencer Plaza, Phase II, No.769,
Mount Road, Anna Salai, Chennai - 600002.
Tel: +91-44-42995000 / 5027, Fax: +91-44-42995050,
Email: secretarial@equitas.in, Website: www.equitas.in

NOTICE TO MEMBERS

NOTICE is hereby given that the 12th Annual General Meeting of Equitas Holdings Limited will be held on Friday, August 02, 2019 at 4.30 p.m. at Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G N Chetty Road, T.Nagar, Chennai - 600 017 to transact the following business:

ORDINARY BUSINESS

Item No. 1 Adoption of Financial Statements

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED that the Board's Report, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2019 and the Balance Sheet as at that date, including the Consolidated Financial Statements, together with the Independent Auditors' Report thereon be and are hereby considered, approved and adopted".

Item No. 2 To appoint a Director in place of Mr Bhaskar S (DIN 00010000), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED that pursuant to Section 152 of the Companies Act 2013 and other applicable provisions, if any, Mr Bhaskar S (DIN 00010000), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS

Item No. 3 Re-appointment of Ms Jayshree Ashwinkumar Vyas (DIN 00584392) as Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED that, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Rules made thereunder read with Schedule IV to the Act and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Articles of Association of the Company, Ms Jayshree Ashwinkumar Vyas (DIN 00584392), who was appointed as an Independent Director at the eighth Annual General Meeting of the Company and who holds office upto November 11, 2019 and who is eligible for re-appointment and meets the criteria for independence as provided under Section 149 of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years with effect from November 12, 2019 at such remuneration (including commission) as may be determined by the Company from time to time."

By Order of the **Board of Directors**
For **Equitas Holdings Limited**

Deepti R
Company Secretary
Membership No. A35488

Place: Chennai
Date: May 10, 2019

NOTES:

1. Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") relating to Special Business to be transacted at the Annual General Meeting ("AGM" or "Meeting") is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Pursuant to the provisions of Section 105 of the Act, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Any Member holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy shall be deposited at the Registered Office of the Company at least FORTY-EIGHT HOURS before the scheduled time of the Meeting. Proxy Form for the AGM is enclosed. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions / authorisation, as applicable.**

3. **The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given at the end of this Notice.**

4. Members / Proxies attending the meeting are requested to bring their duly filled-in attendance slips enclosed herewith mentioning therein details of their DP ID and Client ID/Folio No.

5. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.

6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. All documents referred to in this Notice and the Explanatory Statement setting out material facts in respect of Item No. 3 of the Notice and other Statutory Registers are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 A.M. and 01.00 P.M. till the date of the Meeting.

8. Information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and Secretarial Standards in respect of Directors seeking appointment / re-appointment at the AGM is furnished in the Explanatory Statement & annexure thereto and forms part of the Notice.

9. All correspondence relating to change of address, change in e-mail ID already registered with the Company, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the Company may be made to M/s. Karvy Fintech Private Ltd., the Registrar and Share Transfer Agent ("Karvy"). The Members holding shares in electronic form may send such communication to their respective Depository Participant/s (DPs).

10. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH13, duly filled in to the Company / RTA / DP. The prescribed form can be obtained from the RTA / DPs as well as downloaded from the Company's website www.equitas.in

11. The Members whose names appear on the Company's Register of Members as on July 26, 2019 ("cut-off date") will be eligible to attend and vote at the Meeting. The Register of Members and Share Transfer Books of the Company would remain closed from Saturday, July 27, 2019 to Friday, August 02, 2019 (both days inclusive) for this purpose.

12. **As an eco-friendly measure intending to benefit the society at large, we request you to be part of e-initiatives of the Company and register your e-mail ID to receive all communications and documents including Annual Reports from time to time in electronic form to the e-mail ID provided by you. Members holding shares in electronic form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to Karvy.**

13. **Members holding shares in physical form are requested to avail dematerialisation facility.**

14. Pursuant to Sections 101 and 136 of the Act read with relevant Rules framed thereunder, the Annual Report for Financial Year (FY) 2018-19 and the Notice of the AGM, inter-alia indicating the process and manner of Remote e-voting along with the attendance slip and proxy form are being sent by e-mail to those Members who have registered their e-mail ID either with the Company or with the DP unless the Member has requested for physical copy of the same. For Members who have not registered their e-mail ID, physical copies of the Annual Report for FY 2018-19 and the Notice of the AGM, inter-alia, indicating the process and manner of Remote e-voting along with the attendance slip and proxy form, will be sent as per the permitted mode.

15. Notice of the AGM and Annual Report of the Company, is made available on the Company's website, www.equitas.in for download.

16. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report to the Meeting.

17. **The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in physical form shall submit their PAN details to the Company/Karvy.**

18. Shareholders can register their complaints, if any, on the designated e-mail ID, secretarial@equitas.in.

19. Shareholders are requested to send their queries, if any, on the Annual Report, to the Company Secretary, at least 7 days before the date of Meeting, so that the requisite information / explanations can be provided in time at the Meeting.

20. The Company has engaged the services of Karvy as the Agency to provide e-voting facility.

21. Dr B Ravi, Practising Company Secretary (FCS No. 1810; CP No. 3318) has been appointed as the Scrutiniser for conducting the Remote e-voting and voting process at the AGM, in a secure, fair and transparent manner.

22. The Scrutiniser's decision on the validity of the vote shall be final.

23. Once the vote on a resolution stated in this Notice is cast by shareholder through Remote e-voting, the shareholder shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by Remote e-voting may also attend the Meeting. However, such Member shall not be allowed to vote again.

24. The Scrutiniser will submit his report to the Company after completion of the scrutiny and the Results will be declared by the Company on its website www.equitas.in, within 48 hours of the conclusion of the AGM.

25. Route map for the venue of the Meeting is attached herewith, for your ready reference.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No 3: Re-appointment of Ms Jayshree Ashwinkumar Vyas (DIN 00584392) as Independent Director

Ms Jayshree Ashwinkumar Vyas was appointed as an Independent Director of the Company with effect from November 12, 2014 for a period of five years i.e. upto November 11, 2019. As per the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act") and other applicable provisions, if any, an Independent Director shall hold office for a term of five consecutive years on the Board of the Company and is eligible for re-appointment for a term of another five consecutive years on passing of special resolution by the Company.

The Board, based on the performance evaluation and recommendation of Nomination, Remuneration & Governance Committee, considers that given her background, experience and contribution, the continued association of Ms Jayshree Ashwinkumar Vyas as an Independent Director of the Company and as a Member of various Committees would be of immense benefit to the Company.

The Company has received a declaration from Ms Jayshree Ashwinkumar Vyas to the effect that she continues to meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"). She has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as stipulated under Regulation 25(8) of SEBI Listing Regulations.

In the opinion of the Board, Ms Jayshree Ashwinkumar Vyas satisfies all the criteria applicable for re-appointment including fit and proper criteria as mentioned in the Policy for ascertaining "fit and proper" status of Directors. Accordingly, the Board recommends for approval of Members, the re-appointment of Ms Jayshree Ashwinkumar Vyas as an Independent Director of the Company for a period of five years with effect from November 12, 2019, in terms of Section 149 read with Schedule IV of the Act or any amendment thereto or modification thereof. Her brief profile along with the information as required to be furnished under Regulation 36 of SEBI Listing Regulations and Secretarial Standards is annexed.

Interest of Directors and KMP:

Ms Jayshree Ashwinkumar Vyas and her relatives may be deemed to be concerned or interested in the Resolution set out at Item No.3.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the passing of the resolution.

The Board recommends the Special Resolution set forth in Item No. 3 above for approval of the shareholders.

By Order of the **Board of Directors**
For **Equitas Holdings Limited**

Deepti R
Company Secretary
Membership No. A35488

Place: Chennai
Date: May 10, 2019

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting
(Information under Regulation 36 of SEBI Listing Regulations read with Secretarial Standards)

Name of the Director	Ms Jayshree Ashwinkumar Vyas	Mr Bhaskar S
Age	66	61
Qualification	ACA	B.Sc., ACA
Brief Profile	Ms. Jayshree Ashwinkumar Vyas is the Managing Director of Shree Mahila Sewa Sahakari Bank, Ahmedabad since 1986. During her tenure she has taken active steps to introduce and operate an Integrated Micro Insurance Scheme for women working in the informal sector. This scheme was introduced for the first time in the country and in a short period of three years covered more than 1,50,000 women. In 2001, financial literacy programme was introduced in Sewa Bank, first of its kind in India - at the initiative of Ms. Jayshree Vyas. In 2006, Micro Pension Scheme was introduced for Sewa Bank Members (Unorganized sector workers) under her leadership. She received "Outstanding Woman Entrepreneur" Award by FICCI Ladies Organization India for the year 1993-94.	Mr. Bhaskar joined the Equitas Group on October 15, 2007. He was appointed as the Chief Financial Officer of the Company on November 1, 2014 and continued so till his appointment as Executive Director & Chief Executive Officer on October 21, 2016. He started his career with Pricewaterhouse & Co., where he worked for one and a half years and later moved to Cholamandalam Investment and Finance Company Limited where he worked for two decades. Prior to joining Equitas Group, he was the Group Treasurer and Senior Vice President – Audit for the Murugappa Group, Chennai.
Expertise in specific functional area	Banking / Insurance / Corporate Strategy / General Management	Finance / Corporate Strategy / General Management
Date of first appointment on the Board	November 12, 2014	October 21, 2016
Number of shares held in the Company	Nil	14,05,000
Board Membership in other companies	1. Sewa Nirman Construction Workers Company Limited, 2. Sewa Trade Facilitation Centre, 3. Invest India Micro Pension Services Private Limited, 4. Rajasthan Shram Sarathi Association, 5. Ananya Finance for Inclusive Growth Private Limited 6. Village Financial Services Limited 7. BSE Limited	Equitas Technologies Private Limited
Chairmanship / Membership of the Committees of other Boards	Nil	Nil

For other details such as the number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of above directors, please refer to the Corporate Governance Report forming part of the Annual Report for FY 2018-19.

VOTING THROUGH ELECTRONIC MEANS – INSTRUCTIONS

I. Remote e-voting:

Remote e-voting period : From 9:00 A.M. IST on Tuesday, July 30, 2019 To 5:00 P.M. IST on Thursday, August 1, 2019

Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI Listing Regulations as amended from time to time, the Company is pleased to offer e-voting facility to Members to exercise their votes electronically on all resolutions set forth in the Notice convening the 12th Annual General Meeting (AGM) scheduled to be held on Friday, August 2, 2019 at 4.30 P.M. The Company has engaged the services of M/s Karvy Fintech Private Limited ("Karvy / RTA") to provide Remote e-voting facility to enable Members to provide their votes in a secure manner. Dr B Ravi, Practising Company Secretary has been appointed as the scrutiniser for conducting the Remote e-voting and the voting process at the AGM in a fair and transparent manner. In terms of the requirements of the Act and the rules made thereunder, the Company has fixed Friday, July 26, 2019 as the cut-off date. The Remote e-voting / voting rights of the Members / beneficial owners shall be reckoned on the equity shares held by them as on cut-off date, i.e. July 26, 2019. During the Remote e-voting period, the Members of the Company, holding shares either in physical form or in electronic form, as on the cut-off date, are entitled to avail the facility to cast their vote through Remote e-voting. The Remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.

The instructions for Members voting electronically are as mentioned below:

(A) **For Members receiving email from Karvy (for Members whose email IDs are registered with the Company / Depository Participants which includes details of E-Voting Event Number (EVEN), User ID and Password):**

i. Launch internet browser and type the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 4632 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering the appropriate details, click on "LOGIN".

iv. You will now reach Password Change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum of 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Equitas Holdings Limited".

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either option.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm; else, "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUFs, NRIs etc.,) are also required to send certified true scanned copies of the Board Resolution / Authority Letter etc., in 'pdf' format together with attested specimen signature(s) of the duly authorised representative(s) to the Scrutiniser at email id, csbravi@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format:

"EQUITAS HOLDINGS LIMITED_4632"

(B) Members holding shares in electronic form whose e-mail IDs are not registered with the Company / DPs [i.e., Members holding shares in physical form as well as those Members who have received physical copy of the Notice of the AGM]:

i. E-Voting Event Number – 4632(EVEN), User ID and Password are provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM:

The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however, these Members are not entitled to cast their vote again in the Meeting. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

III. Other Instructions:

a. In case of queries and / or grievances, if any, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available at the "download" section of Karvy's website https://evoting.karvy.com or send email to Karvy at evoting@karvy.com or call Mr Prem Kumar, Manager, Karvy at +91 40 - 6716 1509 or Toll free No. 1-800-34-54-001.

b. You can also update your mobile number and e-mail ID in the user profile details of the folio which can be used by the Company / RTA for sending communications in future.

c. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e., Friday, July 26, 2019.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut- off date for e-voting i.e., Friday, July 26, 2019, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS:

MYEPWD <space> E-Voting Event Number (4632) + Folio No. or DP ID Client ID to +91 92129 93399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> 46321234567890

ii. If e-mail ID or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.karvy.com, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. Karvy shall endeavour to send User ID and Password to those new Members whose e-mail IDs are available.

PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN / ATTENDANCE REGISTRATION

Web Check-in / Attendance Registration: Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the Meeting hall. Alternatively, to facilitate hassle free and quick registration / entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters set-up at the venue.

Procedure of Web Check-in is as under:

a. Log on to https://karisma.karvy.com and click on "Web Check-in for General Meetings (AGM / EGM / CCM)"

b. Select the name of the Company: Equitas Holdings Limited

c. Pass through the security credentials viz., DP ID /Client ID / Folio no., PAN & "CAPTCHA" as directed by the system and click on the "Submit" button.

d. The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.

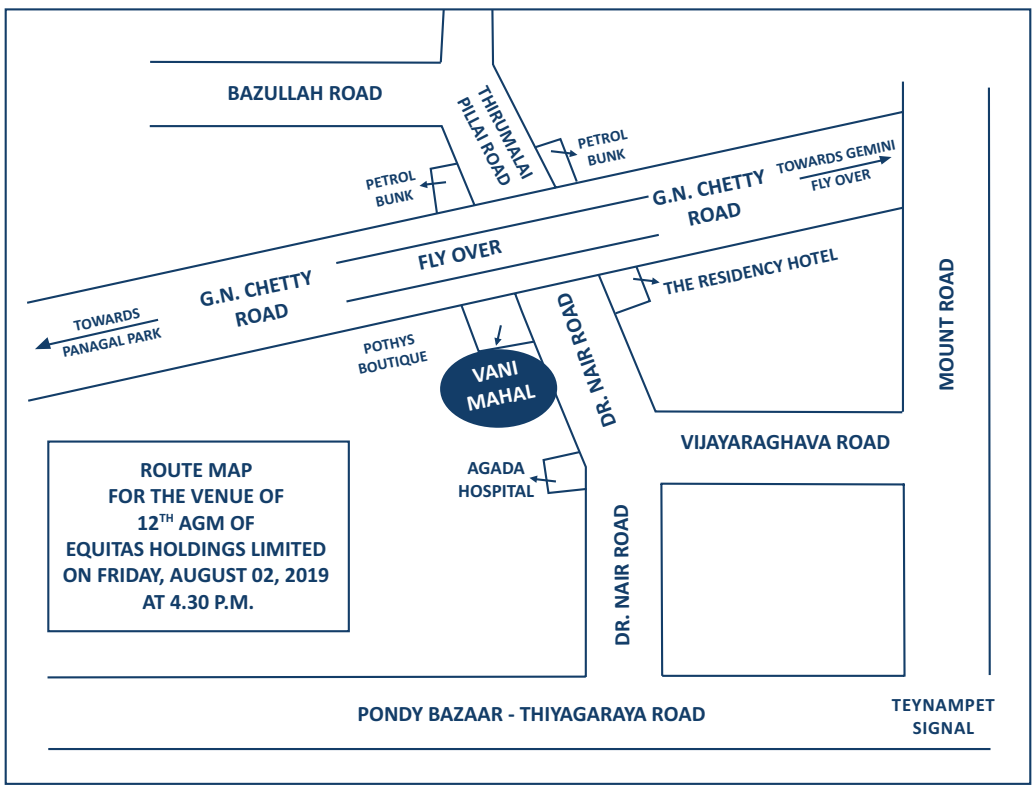
e. The attendance slip in PDF format will appear on the screen. Select "Print" option for direct printing or download and save for printing.

f. A separate counter will be available at the AGM Venue for Members who have registered online for faster, hassle free entry as also to avoid standing in the queue.

g. The Web Check-in (Online Registration facility) is available during e-voting Period only i.e., from Tuesday, July 30, 2019 (09.00 A.M. IST) to Thursday, August 1, 2019 (05.00 P.M. IST).

h. The Members are requested to carry their valid photo identity along with the above attendance slip for verification purposes.

ROUTE MAP TO THE AGM VENUE











Imagination Delivered Delivering Experiences





Equitas Holdings Ltd

ANNUAL REPORT 2018-19

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Equitas Holdings Limited

Equitas Holdings Limited (EHL) is a non-deposit taking, systemically important core investment company (CIC-ND-SI) registered with the Reserve Bank of India (RBI). EHL's operations and activities are limited to investing in and providing loans to subsidiary companies. The Company operates two wholly owned subsidiaries: Equitas Small Finance Bank Limited (ESFB), licensed under Section 22 of the Banking Regulations Act, 1949 to carry on the business of small finance bank; and Equitas Technologies Private Limited [ETPL], engaged in the business of freight aggregation

Mission

To create the most valuable bank for all stakeholders through happy employees

Values

- Customer First
- Pride of Performance
- Fair and Transparent
- Respect for People
- Ownership

Equitas Holdings Limited [EHL] has adopted Indian Accounting Standards (Ind AS) for the year FY19 with Ind AS compliant comparatives for FY18.

Given the first time adoption of Indian Accounting Standards (Ind AS), EHL has also provided consolidated financials as per iGAAP on page no's 1 to 5. iGAAP financials are based on management reports and have not been subject to review/audit by Auditors. The purpose of iGAAP financials is merely to provide an update on business performance.

Sections forming part of Strategic reports and financial statements are based on Indian Accounting Standards (Ind AS).

Chairman's Message

Transition complete, focus on profitability

Dear Shareholders,

I am happy to communicate with you once again through this Annual Report, for FY 2018-19.

This year, we returned to our high growth momentum with a significant improvement in profitability. The Bank continues to focus on building a stable and sustainable franchise by diversifying the portfolio mix towards secured lending while improving profitability. Our commitment towards reaching out to the unbanked and underbanked segments through a wide range of products continues with our new products like New Commercial Vehicle loans, working capital loans etc.

Retail deposit momentum builds up

The strategy of our bank to create a long-term, granular retail liability franchise through our branches continues to perform well. We added more than 5 lakh retail depositors, with customer balances crossing ₹ 8,000 Crore; retail fixed deposits accounted for ₹ 2,408 Crore.

We continue to deliver "value for money" banking experience to our depositors through a rich value proposition and customer benefit programmes across our Current and Savings accounts. Today, "Wings", our differentiated offering, contributes 29% of overall CASA balances.

Deposits as a percentage of total borrowings stood at 69% while CASA stood at 25% of total deposits. The deposit momentum also ensured our Bank's growth was not affected by the liquidity crisis the financial sector witnessed in the second half of 2018-19.

Scalable and Sustainable Growth in Advances

In 2016-17, I had highlighted the Banks ability to conduct credit assessments of borrowers from the informal economy and its focus on leveraging these skills to introduce new products mainly Agri loans and Business Loans. In 2017-18, I had shared the growth from these products had touched 13% of our portfolio and the introduction of New Commercial Vehicle loans and Working Capital loans, in line with our strategy of leveraging the skills we honed over the past decade.

I am happy to inform you that our strategy of diversifying and offering a wide array of financing solutions to the segments that we operate in continue to progress well and now contribute 47% to our overall portfolio. We are confident that with the seeding of these products early on, our Bank will enjoy a competitive edge in the years to come.

Focus on Technology

Our Bank continues to invest in technologies that improve operating efficiencies, security and risk management and customer experience, and help build a bank ready for tomorrow's customers. We have started to realise the positive impacts of investing in emerging technologies like API Banking, Robotic Process Automation, Facial Recognition, Autonomous Account Opening and Analytics. We believe that in the changing regulatory environment, banks with a strong technology practice will see a differentiated journey. We are on this journey with some of the world's best technology companies.



Social Initiatives

Our social initiatives such as free health camps, livelihood skills training and job placement fairs for unemployed youth continue to create a difference. Eight Equitas Gurukul schools are functioning well under the aegis of Equitas Development Initiatives Trust (EDIT). The schools provide high quality, affordable education to 5,500+ students from low-income households. Their achievements in academics as well as sports provides us great joy and pride.

With the support from all our stakeholders, I am confident that the Group shall continue to grow further, achieve bigger milestones in banking and serve the society further more meaningfully. I thank you all for your continued support in our journey of making Equitas Small Finance Bank one of the country's most respected and valuable bank.

God bless you!

Rangachary N
Chairman, Equitas

Founder's Message

Banking on prudence and governance



Dear Stakeholders,

When we launched Equitas in 2007 to provide microfinance to underprivileged women, it was much beyond a business calling. We wanted to make a meaningful difference to the society by creating an organisation that will be fair and transparent in every dealing and be part of the entire lifecycle of livelihood improvements of our customers.

For Equitas, women who took microfinance loans were not just clients who just had to repay their loans. We wanted to extend all possible support to make them empowered in all aspects. We had envisaged a sustainable model that would increase their income, reduce their expenses, and enable them to provide quality education to their children. The effect of these interventions is not just an improved status in the society, but also in gender relations at home.

That is why, we launched the Equitas Development Initiatives Trust (EDIT) within a couple of months of launching Equitas and identified four focus areas: Education, Health, Skill Development and Employment and remain committed to date to spend 5% of our annual profit on these initiatives. Today, the Equitas ecosystem is a vibrant family of about 5 million members.

Equitas will continue with its efforts in empowering not just women, but also their family, and work towards making our society equal, fair and just. As more people gain access to tools to manage their money, their ability to build assets and smooth consumption expands possibilities for whole economies. Thus, when the RBI granted in-principal approval to Equitas to set up a small finance bank license to Equitas, the leadership team had a clear vision on the future roadmap.

We wanted to build a bank that would be resilient, sustainable and stable. We envisaged building a bank with happy employees. We focused on building the most valuable bank in India; valuable not in terms of market capitalisation, though our IPO was oversubscribed 17.2 times with several marquee investors buying in. Our idea of being the most valuable bank is rooted in our commitment of delivering exemplary products and services through happy employees, tailored to our customers' requirements and in our unwavering focus on maintaining the highest asset quality.

Thus, as we grew bigger in size and impact, our focus on governance, compliance and prudent risk management remained unaltered. It's embedded in our DNA since the day we began our journey and has helped us remain resilient even as the Indian financial services underwent transformational changes. Managing risk is fundamental to financial services and is key to stability and sustained profitability.

Our Mission:
Our Mission is to create the most valuable bank for all our stakeholders. We are acutely aware of the public responsibility that vests with all banks which access deposits from the lay public. Our vision is to create a bank which is stable, sustainable and scalable over a long period of time. We are committed to prudent approach to lending and will strive to ensure that the loan portfolio continues to remain well diversified and can remain high on asset quality irrespective of stresses that may come up in different parts of the economy from time to time. We are also equally committed to retain high focus on the large segments of the population who are not serviced or inadequately serviced by the banking industry. Our growth should also lead to new opportunities in the lives of our borrowers.

My Management team and I are committed to creating Equitas as a Banking Franchise in India, which would be counted amongst the best!

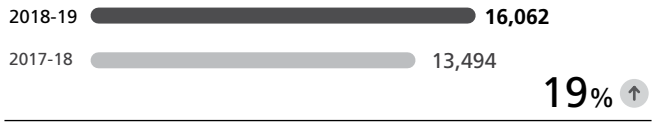
I thank your all for being part of this exciting journey and for making Equitas what it is today. I also seek your continued support in staying true to our values of fairness and transparency.

P. N. Vasudevan
Founder, Equitas

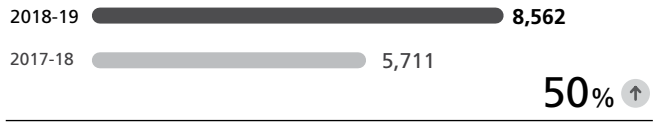
Key Performance Indicators*

Strong growth momentum

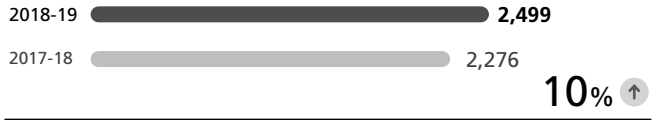
Balance sheet size (₹ in crore)



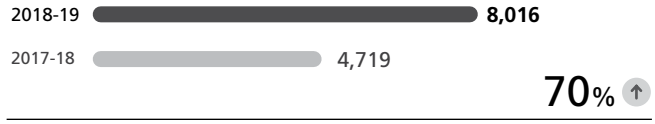
Disbursements (₹ in crore)



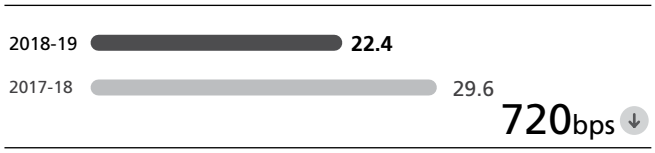
Net worth (₹ in crore)



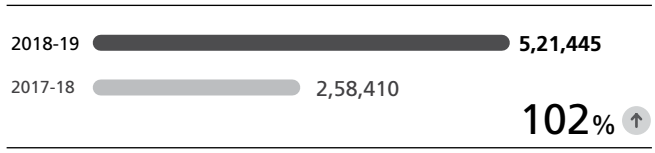
Deposit mobilised (₹ in crore)



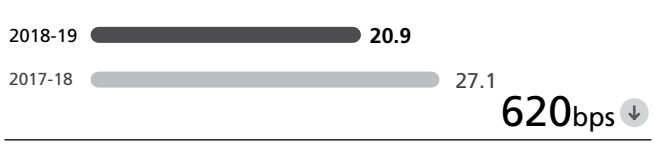
Capital adequacy ratio (%)



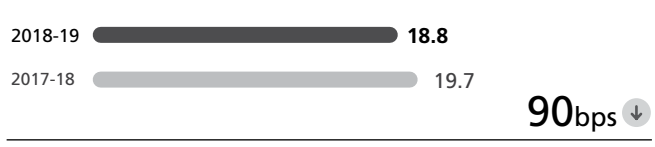
Deposit accounts (₹ in crore)



Capital adequacy ratio – Tier I (%)



Yield on "On book" Advances (%)



*KPI is based on consolidated financials as per iGAAP. The iGAAP financials are based on management reports and have not been subject to review/audit by Auditors. The purpose of iGAAP financials is merely to provide an update on business performance.

Loan AUM (₹ in crore)



Cost of funds (%)



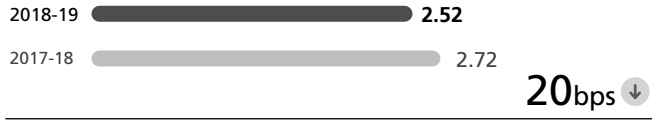
Active loan accounts (No.)



Net interest margin (%)



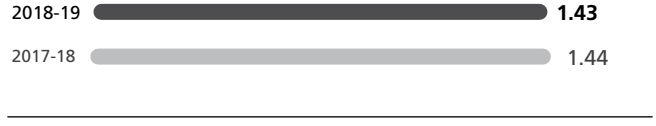
Gross NPA (%)



Return on equity (%)



Net NPA (%)



Return on asset (%)



KPI is based on consolidated financials as per iGAAP. The iGAAP financials are based on management reports and have not been subject to review/audit by Auditors. The purpose of iGAAP financials is merely to provide an update on business performance.

Directors' Report

To,
The Members,
Equitas Holdings Limited

Your Directors have pleasure in presenting the Twelfth Annual Report together with the audited accounts of the Company on a Consolidated and Standalone basis for the Financial Year ended March 31, 2019 (FY 2018-19).

Financial Results*

The summary of Company's financial performance, both on a Consolidated and Standalone basis for FY 2018-19 compared to the previous year, FY 2017-18 is given below:

(₹ in lakh)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Total Revenue	**235,853**	177,968	**2,252**	2,005
Less: Total Expenditure	**208,722**	176,078	**980**	619
Profit before taxation	**27,131**	1,890	**1,272**	1,386
Provision for taxation	**9,474**	525	**339**	329
Profit after taxation[A]	**17,657**	1,365	**933**	1,057
Other Comprehensive Income [B]	**40**	255	**1**	2
Total comprehensive Income for the year, net of tax [A+B]	**17,697**	1,620	**934**	1,058
Transfer to Statutory Reserve	**5,451**	904	**187**	109

* In accordance with the press release dated January 18, 2016 issued by Ministry of Corporate Affairs (MCA), Ind-AS is applicable to the Company with effect from Financial Year 2018-19. Accordingly, the standalone and consolidated financial statements of the Company for FY 2018-19 along with comparative numbers as on March 31, 2018 have been prepared under Ind-AS framework.

Dividend

The Directors do not recommend any dividend for the year.

Transfer to Reserves

Your Company has transferred a sum of ₹ 187 lakh to Statutory Reserve as required under the Reserve Bank of India Act, 1934.

Capital Adequacy

The Capital Adequacy Ratio of the Company stands at 96.84% as of March 31, 2019 as against the minimum capital adequacy requirements of 30% stipulated by RBI.

Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year to which these Financial Statements relate to and the date of this Report.

Share Capital

The Company, during the year, has issued in aggregate, 10,31,522 Equity Shares to its employees and the employees of its Subsidiaries under the Equitas Employees Stock Option Scheme, 2015.

Pursuant to the aforesaid issue and allotment of Equity Shares, the paid-up share capital of the Company stood at ₹ 341,46,14,980 as at March 31, 2019 as compared to ₹ 340,42,99,760 as at March 31, 2018.

Investment in Subsidiaries

During the year under review, there was no fresh infusion of capital in the Company's Subsidiaries, Equitas Small Finance Bank Limited and Equitas Technologies Private Limited.

The State of Company's affairs

The Company continues to be categorised as a Non-Banking Financial Institution - Non-Deposit taking-Systemically Important Core Investment Company (CIC-ND-SI) under the RBI Regulations.

Statutory Disclaimer

The Company is having a valid Certificate of Registration dated September 1, 2016 issued by the RBI under Section 45-IA of the Reserve Bank of India Act, 1934. However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of any liability by the Company.

Neither there is any provision in law to keep, nor does the Company keep any part of the deposits with RBI and by issuing a Certificate of Registration to the Company, RBI neither accepts any responsibility nor guarantees the payment of deposits to any depositor or any person who has lent any sum to the Company.

Fixed Deposits
The Company has not accepted any deposits from the public since inception.

Subsidiary Companies
The Company conducts its business through the following two Subsidiaries:

Sl. No.	Name of the Subsidiary	Activities
1	Equitas Small Finance Bank Limited (ESFBL)	ESFBL is engaged in Banking business. Its various activities are outlined in the Management Discussion and Analysis Report which forms part of this Report.
2	Equitas Technologies Private Limited (ETPL)	ETPL is engaged in freight facilitation business under the brand name of 'Wowtruck'. The Company provides a common platform for transporters and customers to connect online and carry out transactions on real time basis.

As required under Regulations 16(1) (c) & 46 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Board of Directors had approved the Policy for determining Material Subsidiaries ("Policy"). The details of the Policy are available on the website of the Company https://www.equitas.in/pdf/EHL_Policy_Materiality.pdf.

Listing of shares of ESFBL
In accordance with the terms and conditions of the grant of Small Finance Bank (SFB) licence, ESFBL is required to list its shares within three years of commencement of business i.e., on or before September 4, 2019. Also, the Company, as the promoter of ESFBL is required to maintain a minimum stake of 40% (forty percent) in ESFBL for a period of 5 (five) years from the date of commencement of business of the bank (i.e., until September 04, 2021).

In order to comply with the aforesaid terms and conditions in a manner that is in the best interests of all stakeholders of ESFBL and the Company, the Board of Directors of ESFBL and the Company in their respective Meetings held on January 31, 2019 and February 1, 2019 approved a Scheme of Arrangement between the Company, ESFBL and the respective shareholders. The Scheme contemplates

a) issue and allotment by ESFBL of 89,20,62,982 (Eighty Nine Crore Twenty Lakh Sixty Two Thousand Nine Hundred and Eighty Two only) fully paid-up paid-up equity shares for no cash consideration to the shareholders of the Company as of the Record Date in the manner set out in the Scheme and

b) the consequent reduction by ESFBL of securities premium account, the revenue and other reserves and the surplus in profit and loss account by an amount equal to the face value of the shares of ESFBL issued under the "Scheme"

The Scheme, if implemented after necessary approvals from Stock Exchanges, SEBI, RBI, shareholders and National Company Law Tribunal, would result in reduction of stake of the Company in ESFBL to 53% with the remaining 47% held by public shareholders. Post giving effect to the Scheme, ESFBL seeks to list its shares by availing exemption from SEBI under Rule 19(7) of Securities Contracts Regulations Rules, 1957.

The Scheme has been filed with SEBI through Stock Exchanges and RBI for their approval post which approvals would be sought from shareholders and NCLT.

Performance and Financial Position of Subsidiaries
As required under Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of each of the Subsidiaries has been appended to the financial statements.

Consolidated Financial Statements
The Consolidated Financial Statements which have been prepared in accordance with the Act, and the relevant Accounting Standards form part of this Annual Report.

Management Discussion and Analysis Report
In accordance with the SEBI Listing Regulations, the Management Discussion and Analysis Report highlighting the business-wise details, state of affairs forms part of this Report.

Corporate Governance Report
A report on Corporate Governance containing the details as required under the SEBI Listing Regulations forms part of this Report.

The Executive Director & CEO and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Regulation 17(8) of SEBI Listing Regulations.

Corporate Social Responsibility
The Company has laid down a Corporate Social Responsibility Policy, which is disclosed on our website https://www.equitas.in/pdf/EHL-CSR-Policy.pdf. In accordance with the Policy, the Company and its Subsidiary, ESFBL contribute higher of 5% of its net profits or 2% of average net profits made during the preceding three financial years, to Equitas Development Initiatives Trust, a Public Charitable Trust, set up by the Company for carrying out CSR activities on their behalf. The report on CSR is enclosed as **Annexure – I**.

Business Responsibility Report
Business Responsibility Report is attached and forms part of this Report.

Board Meetings
During the year, the Board of Directors of the Company met four times. The details of the Meetings are given in the Report on Corporate Governance. The maximum

interval between any two Meetings did not exceed 120 days, as prescribed in the Act.

Composition of Audit Committee

The Company has constituted an Audit Committee in terms of the requirements of the Act and Regulation 18 of SEBI Listing Regulations. The composition of the same is disclosed in the Corporate Governance Report.

Board of Directors

As on the date of this Report, the Company has five Independent Directors including a woman Director.

Directors & Key Managerial Personnel

Change in Directors

Mr Raghavan M S, Independent Director had resigned from the Board w.e.f. April 27, 2018.

As required under Regulation 17(1A) of SEBI Listing Regulations, approval of shareholders by way of special resolution is required for continuance of appointment of Directors crossing the age of 75 years as on April 1, 2019. Accordingly, the Company issued postal ballot notice, seeking the approval of shareholders by way of special resolution for continuance of three Independent Directors including Chairman – Mr Rangachary N, Mr Yogesh Chand Nanda and Mr Rajaraman P V who satisfy the aforesaid age criterion. While, resolutions seeking continuance of Directorship of Mr Rangachary N and Mr Rajaraman P V have been approved by shareholders as special resolution, resolution seeking continuance of directorship of Mr Yogesh Chand Nanda was not approved with requisite majority for a Special Resolution. Hence, Mr Yogesh Chand Nanda has ceased to be an Independent Director of the Company effective March 28, 2019.

Your Directors place on record their appreciation for the valuable advice and guidance rendered by Mr Raghavan M S and Mr Yogesh Chand Nanda during their tenure as Directors of the Company and as Members of respective Board Committees.

Ms Jayshree Ashwinkumar Vyas, Independent Director was appointed with effect from November 12, 2014 for a period of five years. Her term expires on November 11, 2019. Your Directors recommend her re-appointment for the approval of shareholders, for a period of five years with effect from November 12, 2019, as her continued association as an Independent Director and as a Member of various Committees of the Board would immensely benefit the Company.

The Company has familiarised the Independent Directors of the Company, their roles and responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details of familiarisation programme imparted to Independent Directors are available on the website of the Company https://www.equitas.in/pdf/Familiarisation-Programme-for-Independent-Directors.pdf.

The terms and conditions of appointment of Independent Directors are also available on the website of the Company https://www.equitas.in/pdf/EHL-ID-Appt-Termsn Conditions.pdf.

Section 152 of the Act provides that two-thirds of the total numbers of Directors are liable to retire by rotation out of which one-third shall retire from office at every AGM. In terms of Section 149(13), the provisions of retirement of Directors by rotation shall not be applicable to Independent Directors and an Independent Director shall not be included in the total number of Directors liable to retire by rotation.

Accordingly, Mr Bhaskar S, Executive Director & Chief Executive Officer, the only non-Independent Director, retires by rotation this year, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director of the Company liable to retire by rotation. Appropriate resolution in this regard is being placed for approval of the shareholders at the ensuing Annual General Meeting.

Declaration from Independent Directors

The Board has received declarations from the Independent Directors as required under Section 149(7) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in the Act and Regulations therein.

Evaluation of Board Performance

The performance of the Chairman, the Board, Audit Committee (ACB), Nomination, Remuneration & Governance Committee (NRGC), Corporate Social Responsibility Committee (CSR), Stakeholders' Relationship Committee (SRC) and that of individual Directors for the Year 2018-19 were evaluated on the basis of criteria approved by the Board. Some of the performance indicators, based on which the independent directors are evaluated include contribution to setting strategy and policy directions, concern for stakeholders, approach to issues placed before the Board, exercising of own judgement and voicing opinion freely.

All Directors were provided the criteria for evaluation which were duly filled in and sent to the Secretary to NRGC. The feedback was then collated and shared in confidence with the Chairman of NRGC.

The Chairman of NRGC discussed the same with the other Members of the Committee. Later at the Board Meeting, the Chairman of NRGC shared the feedback with the Chairman of the Board and the other Directors.

Policy on Directors' appointment & remuneration

Pursuant to the provisions of Section 178 of the Act, the Company has formulated and adopted Policy on selection of Directors and Remuneration Policy which are disclosed on our website, under Policies Section. https://www.equitas.in/pdf/EHLFit&ProperPolicy.pdf. https://www.equitas.in/pdf/EHLRemunerationPolicy.pdf

Directors' Responsibility Statement

The Board of Directors of the Company, to the best of their knowledge and belief, confirm that:

1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

2) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that period;

3) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4) they have prepared the annual accounts on a going concern basis;

5) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

6) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Key Managerial Personnel (KMP)

During the year under review, Ms Deepti R was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. November 3, 2018 in the place of Ms Jayashree S Iyer who had resigned w.e.f. close of office hours on November 2, 2018. As at March 31, 2019, the Company had the following Key Managerial Personnel (KMPs):

Sl. No.	Name of the KMP	Designation
1	Mr Bhaskar S	Executive Director & Chief Executive Officer (ED & CEO)
2	Ms Srimathy R	Chief Financial Officer (CFO)
3	Ms Deepti R	Company Secretary (CS)

Overall remuneration

Details of all elements of remuneration paid to all the Directors are given in the Corporate Governance Report. The Independent Directors of the Company are not entitled to stock options.

Details of remuneration as required to be provided under Section 197 of the Act read with Rule 5 of Companies (Appointment and Qualification of Managerial Personnel) Rules, 2014

(i) Ratio of Remuneration of Each Director with Median Employees Remuneration	Name of the Director/Designation	Ratio of remuneration to Median Remuneration of Employees
	Mr Bhaskar S, ED & CEO	9.22:1
	Mr Rangachary N, Chairman / Independent Director	0.64:1
	Ms Jayshree Ashwinkumar Vyas, Independent Director	0.32:1
	Mr Nanda Y C, Independent Director	0.32:1
	Mr Raghavan M S, Independent Director	0.02:1
	Mr Rajaraman P V, Independent Director	0.32:1
	Mr Viswanatha Prasad S, Independent Director	0.48:1
(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Increase in remuneration of Independent Directors In the previous year FY 2017-18, the Board had decided that Independent Directors would not draw any remuneration for FY2017-18. Hence, comparison of remuneration of Directors for FY 2018-19 with that of FY 2017-18 is not feasible.	
	Increase in remuneration of KMP is as follows:	
	ED & CEO	No increase
	CFO	17%
	CS	There was a change in CS during the Financial Year. Hence, comparison is not feasible.

(iii) the percentage increase in the median remuneration of employees in the financial year;	15%.
(iv) the number of permanent employees on the rolls of the Company as on March 31, 2019	5 (five) Details of remuneration of these employees as required under Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure - II**
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration.	The average percentage increase in salaries of employees other than the managerial personnel in the last financial year was 12% There was no increase in the remuneration of managerial personnel viz., Mr Bhaskar S, ED & CEO.
(vi) affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Remuneration Policy of the Company.

None of the employees drew remuneration beyond the limits specified under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Whistle Blower Policy/Vigil Mechanism

The Company has devised a Vigil mechanism for Directors and employees through the adoption of Whistle Blower Policy, details whereof is available on the Company's website https://www.equitas.in/pdf/EHL-Whistle-Blower-Policy.pdf.

Auditors

Statutory Auditors

S R Batliboi & Associates LLP, Chartered Accountants (FRN: 101049W/E300004), were appointed as Auditors of the Company for 5 years till the conclusion of the 15th Annual General Meeting (AGM) to be held in the year 2022. The Company had obtained approval of shareholders for ratification of appointment of Auditors until the conclusion of twelfth Meeting in the AGM held on July 27, 2018 last year. Pursuant to the MCA Circular dated May 7, 2018 amending the Companies (Audit & Auditors) Rules, 2014, the requirement of ratification of appointment of statutory auditors in every Annual General Meeting has been done away with.

Details in respect of frauds, if any, reported by Auditors:

There have been no frauds reported during the Financial Year ended March 31, 2019.

Secretarial Auditors

The Secretarial Audit Report of M/s B Ravi & Associates, Practising Company Secretaries for FY 2018-19 is enclosed as **Annexure–III**.

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by Statutory Auditors or Secretarial Auditors –

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors or Secretarial Auditors.

Information as per Section 134 (3) (q) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014

During the Financial Year, the Company had no activity relating to conservation of energy or technology absorption. Also, there were no foreign currency earnings or outgo.

Details of Employee Stock Option Scheme (ESOS)

Nomination, Remuneration & Governance Committee constituted by the Board of Directors of the Company, administers the ESOS, formulated by the Company, from time to time for the benefit of eligible employees of the Company and its Subsidiaries.

Information as required under Section 62 of the Act and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations):

Sl. No.	Information required	Particulars
1	Number of Options granted during the year	16,92,115
2	Number of Options vested during the year	38,11,686
3	Number of Options exercised during the year	10,31,522
4	Number of shares arising as a result of exercise of Options	10,31,522
5	Number of Options forfeited/ lapsed during the year	59,97,878
6	Exercise Price (₹)	151/140/113
7	Money realized by exercise of Options (in lakh)	584.79
8	Total number of Options outstanding	1,26,44,449
9	Option Granted but not vested	63,23,190
10	Options Vested but not exercised	63,21,259
11	Total number of Options available for grant	2,46,23,270
12	Variation of terms of options	Nil

Employee-wise details of options granted to

1. Key Managerial Personnel - Nil

2. Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year:

S. No.	Name of the Employee	Designation	No. of Options granted	Exercise Price (in ₹)	% of Options granted
1	Ashish Nasa	EVP & Head – Wealth Management & Relationship Banking, Equitas Small Finance Bank Limited (ESFBL)	1,00,000	151	6%
2	Bhadresh Bhalchandra Pathak	President & Head – SME Banking (ESFBL)	3,00,000	151	18%
3	Ramasubramanian K	EVP – Corporate Banking (ESFBL)	1,00,000	140	6%
4	Srinivasan Purohit	EVP & Head- Compliance (ESFBL)	1,00,000	140	6%
5	Kalyanaraman M	EVP- Outreach banking (ESFBL)	1,00,000	140	6%
6	Natarajan Muthusubramanian	EVP & Head- Treasury (ESFBL)	1,00,000	140	6%
7	Alok Gupta	EVP & Chief Risk Officer (ESFBL)	1,00,000	140	6%
8	Sathyananda Prabhu	EVP & Head – Internal Audit (ESFBL)	1,00,000	140	6%

3. Identified employees who were granted options during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant - Nil

   Other details relating to Stock Options as required under SEBI (Share Based Employee Benefits) Regulations, 2014 are displayed on the Company's website, https://www.equitas.in/pdf/ESOSInformation.pdf.

Particulars of contracts or arrangements with related parties

All the Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Act, in form AOC-2.

All Related Party Transactions as required under Indian Accounting Standard (Ind AS 24) are reported in Note 22 & 30 forming part of Financial Statements of your Company.

The Company's Policy on dealing with Related Party Transactions is available on the Company's website: https://www.equitas.in/pdf/EHLPolicyonRelatedPartyTransactions.pdf

Risk Management

The Company is a Core Investment Company (CIC) and its operations are limited to being a CIC. The risks therefore relate to investments made in its subsidiaries. The operations of each of the Subsidiaries, the risks faced by them and the risk mitigation tools followed by them to manage these risks are reviewed periodically by the Audit Committees and the Boards of the respective Subsidiaries. The same are considered by the Board of the Company, as well. Details of the same are covered in the Management Discussion and Analysis Report.

Internal Financial controls

The Company has clear delegation of authority and standard operating procedures. These are reviewed periodically by the Audit Committee of the Company. These measures help in ensuring adequacy of internal financial controls commensurate with the nature and scale of operations of the Company.

Loans/Guarantees /Investments

Details of loans, guarantees and investments covered under Section 186 of the Act are provided in Notes 7, 9, & 30 forming part of Financial Statements.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received under the Policy. No complaint has been received by the Company under this Policy so far.

Significant and Material Orders Passed by the Regulators or Courts

There have been no significant and material orders passed by Regulators or Courts or Tribunals impacting the going concern status and the future operations of the Company. Further, no penalties have been levied by RBI/any other Regulators on the Company during the year under review.

Extract of Annual Return

The extract of Annual Return in Form No. MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as **Annexure – IV** to this Report. The Annual Return in Form No. MGT-7 is available in the website of the Company https://www.equitas.in/

Dividend Distribution Policy

The Dividend Distribution Policy of the Company is available on our website https://www.equitas.in/polices.php

Depository System

As the Members are aware, the Company's equity shares are tradable in electronic form. As on March 31, 2019, out of the Company's total equity paid-up share capital comprising of 34,14,61,498 equity shares, only 1,97,897 Equity Shares were in physical form and the remaining shares were in electronic mode. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail themselves of the facility of dematerialization.

Acknowledgement

The Directors thank the investors and customers for reposing confidence in Equitas. The Directors similarly express gratitude for the assistance and co-operation extended by RBI, SEBI, Stock Exchanges, Depositories and other statutory authorities. Your Directors record with sincere appreciation, the valuable contribution made by employees at all levels and look forward to their continued commitment to achieve further growth and take up more challenges to achieve the Mission and Vision of the Organisation.

For and on behalf of the **Board of Directors**

Bhaskar S
ED & CEO

Rangachary N
Chairman

Chennai
May 10, 2019

Corporate Social Responsibility (CSR) Report

Annexure I

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

CSR policy of the Company is available on our website https://www.equitas.in/pdf/EHL-CSR-Policy.pdf

The oversight of Projects entrusted to Equitas Development Initiatives Trust (EDIT) (through which the Company carries on CSR activities) is done by the CSR Committee of the Board.

2. The Composition of CSR Committee as on March 31, 2019 was:

a) Mr Arun Ramanathan, Chairman & Independent Director

b) Mr P V Rajaraman, Independent Director

c) Ms Jayshree Ashwinkumar Vyas, Independent Director

3. The average net profit of the company for last three financial years has been:

Particulars	₹ in lakh
Profit/Loss - 2017-18	979.43
Profit/Loss - 2016-17	768.25
Profit/Loss - 2015-16	391.06
Average PROFIT for CSR purpose	712.92
2% of average Profit/Loss for last three years *	14.25

*Prescribed CSR Expenditure

4. Details of CSR contribution made by the Company to EDIT during the Financial Year:

Particulars	₹ in lakh
CSR contribution made during the year	30.32
TOTAL	**30.32**

The entire sum contributed was productively spent.

5. Details of expenditure:

(₹ in lakh)

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto the reporting period (FY 2018-19)	(8) Amount spent : Direct or through implementing agency*
1	Providing support to Seven Matriculation schools set up by Equitas and run by Equitas Development Initiatives Trust (EDIT) for students from socially and economically weaker sections of the society	Education	Seven schools in Tamil Nadu located at Karur, Trichy, Salem, Coimbatore, Dindigul, Cuddalore and Kumbakonam	30.32	30.32	30.32	Through implementing agency –EDIT, a public charitable trust
	TOTAL			**30.32**	**30.32**	**30.32**	

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby confirm on behalf of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Bhaskar S
ED & CEO

Arun Ramanathan
(Chairman – CSR Committee)

Place: Chennai
Date : May 10, 2019

Information as required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(forming part of Directors Report for FY 2018-19)

Annexure - II

Details of Top Ten employees in terms of remuneration drawn during the year

There are only five employees on the rolls of the Company as on March 31 2019 and hence the details of remuneration of all five employees are provided below:

S No	Employee Name	Designation	Educational Qualification	Age (in years)	Experience (in years)	Remuneration during FY 2018-19 (₹ in lakh)	Joining Date	% of Equity shares held	Previous employment and designation
1	Mr Bhaskar S	Executive Director & Chief Executive Officer	B.Sc., ACA	61	36	63.26	01-Nov-14	0.41%	CFO, Equitas Micro Finance Limited
2	MS Srimathy Raghunathan	Chief Financial Officer	ACA	36	9	16.19	01-Aug-17	0.00%	AVP - Finance & Accounts, Equitas Small Finance Bank Limited
3	Ms Deepti R	Company Secretary	B.Com(CS)., ACS	28	5	6.86	01-Jul-16	0.00%	Company Secretary, Tamilnadu Petroproducts Limited
4	Ms Vidya B A	Senior Officer - Finance	B. Com, MBA	48	24	3.96	01-Dec-14	0.00%	Deputy Manager, Jain Jubilant Cars Pvt Ltd
5	Mr Srinivasa Prasad C	Deputy Manager - Secretarial	B.Com.	35	12	6.38	14-Jul-16	0.00%	Senior Executive (Secretarial), BGR Energy Systems Limited

None of the aforesaid employees are employed on contractual basis and none of them are related to any Director of the Company.

For and on behalf of the Board of Directors

Chennai
May 10, 2019

Bhaskar S
ED & CEO

Rangachary N
Chairman

Secretarial Audit Report

Annexure III

For the financial year ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
EQUITAS HOLDINGS LIMITED
CIN: L65100TN2007PLC064069
410A, 4th Floor, Spencer Plaza,
Phase II No.769, Mount Road, Anna Salai
Chennai-600002

Dear Members,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EQUITAS HOLDINGS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2019** according to the provisions of:

(i) The Companies Act 2013 and the rules made thereunder issued by the Ministry of Corporate Affairs from time to time;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (was not applicable to the Company during the period under review);

  (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (was not applicable to the Company during the period under review);

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (was not applicable to the Company during the period under review);

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (was not applicable to the Company during the period under review);

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The following industry specific laws, directions:

  (a) Reserve Bank of India Act, 1934;

  (b) Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

  (c) Core Investment Companies (Reserve Bank) Directions, 2016

We further report that based on the information received, explanations given, process explained, records maintained, statutory compliance and statutory internal audit reports submitted to the Board on quarterly basis, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable labour laws, Goods and Service Tax laws and other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time. The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report, that Mr Raghavan M S, Independent Director (DIN: 05236790) tendered his resignation with immediate effect from the Directorship of the Company vide letter dated 27th April 2018 and the same was noted in the Board Meeting of the Company held on the same date.

We further report, that the Company conducted a postal ballot between 27th February 2019 and 28th March 2019, seeking approval of shareholders by way of Special Resolution, for continuation of Directorship of Mr. N. Rangachary (DIN: 00054437), Chairman, Mr. P V Rajaraman (DIN: 01658641) and Mr. Yogesh Chand Nanda(DIN: 01643316), Independent Directors and the results of which were declared on 29th March 2019. The shareholders had accorded their approval for continuance of Directorship of Mr. N. Rangachary, Chairman and Mr. P V Rajaraman, Independent Director. However, the continuation of Directorship of Mr. Yogesh Chand Nanda, Independent Director was not approved by the requisite majority and hence ceased to be a Non-Executive Director with effect from 28th March 2019, being the date on which the postal ballot was concluded.

We further report, notwithstanding the above, the Board of Directors of the Company is duly constituted with proper balance of Executive Director(s) and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were taken unanimously at the Board meeting and with requisite majority at the Annual General Meeting. There was no Extra- ordinary General Meeting convened during the period under review.

We further report that during the audit period the Company:-

1. In its Board meeting held on 27th April 2018 approved write off and waiver of claim for recovery of ₹ 68,69,298/- from Equitas Dhanyakosha India. The amount was recovered by ICICI Bank out of the lien marked fixed deposits placed by the Company for the overdraft facility availed by Equitas Dhanyakosha India;

2. In its Nomination, Remuneration & Governance Committee meeting held on 27th July 2018 approved grant of stock options to eligible employees under the Equitas Employees Stock Option Scheme, 2015 out of which ₹ 7,50,000 stock options was granted to Mr. Vasudevan P N, MD & CEO, Equitas Small Finance Bank Limited (Wholly Owned Subsidiary of the Company) subject to the statutory/regulatory approvals. Reserve Bank of India vide their letter dated 02.04.2019 to Equitas Small Finance Bank Limited did not accede to grant of ESOPs in the Company.

3. In its Board meeting held on 1st February 2019 unanimously approved the Scheme of Arrangement between the Company, Equitas Small Finance Bank Limited (ESFBL) [Wholly Owned Subsidiary of the Company] and its shareholders subject to the approval of Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges,NCLT, Shareholders of the Company and ESFBL.

4. In its Board meeting held on 1st February 2019 approved making equity investment to an extent of ₹ 5,00,00,000/- (Rupees Five Crore only) in Equitas Technologies Private Limited (Subsidiary of the Company);

5. An inspection under Section 45N of the Reserve Bank of India Act, 1934 was carried out between 14th February 2019 and 19th February 2019 by Department of Non-Banking Supervision, Reserve Bank of India, Chennai with reference to the financial position of the Company as on 31st March 2018 and the observations pertaining to Capital Adequacy and Asset Quality were reported to the Company vide their letter dated 12th March 2019 and the Company has responded to their observations within due date.

Place : Chennai
Date : 09.04.2019

Name of Company Secretary in practice:
Dr. B Ravi
FCS No.: 1810 CP No.: 3318
Managing Partner
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400

The Members,
EQUITAS HOLDINGS LIMITED
CIN: L65100TN2007PLC064069
410A, 4th Floor, Spencer Plaza,
Phase II No.769, Mount Road, Anna Salai
Chennai-600002

Dear Members,

Sub: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date : 09.04.2019

Name of Company Secretary in practice: Dr. B Ravi
FCS No.: 1810 CP No.: 3318
Managing Partner
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400

Annexure IV

FORM NO. MGT 9

Extract of Annual Return
As on March 31, 2019
(forming part of Directors' Report for FY 2018-19)
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	L6510TN2007PLC064069
2	Registration Date	22.06.2007
3	Name of the Company	EQUITAS HOLDINGS LIMITED
4	Category/Sub-category of the Company	Company Limited by shares
5	Address of the Registered office & contact details	410A, 4th Floor, Spencer Plaza, Phase II, No.769, Mount Road, Anna Salai, Chennai - 600002
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No. 31-2, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032
8	Phone	040 6716 2222
9	Email ID	rajitha.cholleti@karvy.com
10	Contact person name	Ms. Rajitha Cholletti

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Services of holding equity of subsidiary companies	99717010	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Equitas Small Finance Bank Limited 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600002	U65191TN1993PLC025280	Subsidiary	100	2(87)
2	Equitas Technologies Private Limited 601, 6th Floor, Phase I, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai - 600002	U72900TN2015PTC102697	Subsidiary	99.52	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters : Nil (The company is professionally managed an has no identifiable promoters)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	127435710	0	127435710	37.43%	**122484019**	**0**	**122484019**	**35.87%**	-1.56%
b) Banks / FI	6886049	0	6886049	2.02%	**6416328**	**0**	**6416328**	**1.88%**	-0.14%
c) Central Govt	0	0	0	0.00%	**0**	**0**	**0**	**0.00%**	0.00%
d) State Govt(s)	0	0	0	0.00%	**0**	**0**	**0**	**0.00%**	0.00%
e) Venture Capital Funds	0	0	0	0.00%	**0**	**0**	**0**	**0.00%**	0.00%
f) Insurance Companies	0	0	0	0.00%	**0**	**0**	**0**	**0.00%**	0.00%
g) FII/FPIs	59527026	0	59527026	17.49%	**63412197**	**0**	**63412197**	**18.57%**	1.08%
h) Foreign Venture Capital Funds	0	0	0	0.00%	**0**	**0**	**0**	**0.00%**	0.00%
i) Others (specify) Alternate Investment Funds	15693855		15693855	4.61%	**14472692**		**14472692**	**4.24%**	-0.37%
Sub-total (B)(1):-	**209542640**	**0**	**209542640**	**61.55%**	**206785236**	**0**	**206785236**	**60.56%**	**-0.99%**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	17763173	0	17763173	5.22%	**22567239**	**0**	**22567239**	**6.61%**	1.39%
ii) Overseas	56834577	0	56834577	16.69%	**44988805**	**0**	**44988805**	**13.18%**	-3.52%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	30563688	144331	30708019	9.02%	**31555602**	**152897**	**31708499**	**9.29%**	0.27%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	21543523	60000	21603523	6.35%	**30870582**	**0**	**30870582**	**9.04%**	2.69%
c) Others (specify)									
Foreign Nationals	0	0	0	0.00%	**0**	**0**	**0**	**0.00%**	0.00%
Non-Resident Indians	120970	0	120970	0.04%	**285460**	**45000**	**330460**	**0.10%**	0.06%
NRI - NonRepatriation	104088	0	104088	0.03%	**665820**	**0**	**665820**	**0.19%**	0.16%
Trusts	2851579	0	2851579	0.84%	**2029689**	**0**	**2029689**	**0.59%**	-0.24%
NBFC	22048	0	22048	0.01%	**21376**	**0**	**21376**	**0.01%**	0.00%
Clearing Members	879359	0	879359	0.26%	**1493792**	**0**	**1493792**	**0.44%**	0.18%
Sub-total (B)(2):-	**130683005**	**204331**	**130887336**	**38.45%**	**134478365**	**197897**	**134676262**	**39.44%**	**0.99%**
Total Public (B)	340225645	204331	340429976	100.00%	**341263601**	**197897**	**341461498**	**100.00%**	0.00%
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00%	**0**	**0**	**0**	**0.00%**	0.00%
Grand Total (A+B+C)	**340225645**	**204331**	**340429976**	**100.00%**	**341263601**	**197897**	**341461498**	**100.00%**	**0.00%**

(ii) Shareholding of Promoters : NIL (The company is professionally managed Company and has no identifiable promoters)

(iii) Change in Promoters' Shareholding (please specify, if there is no change) : Not Applicable

(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	CDC Group PLC						
	At the beginning / end of the year			2,67,91,230	7.87%	2,67,91,230	7.85%
2	International Finance Corporation						
	At the beginning of the year			2,20,59,885	6.48%		
	Datewise increase/decrease during the year	20-07-2018	Transfer	(13,527)	-0.01%	2,20,46,358	6.47%
		27-07-2018	Transfer	(24,45,946)	-0.72%	1,96,00,412	5.75%
		03-08-2018	Transfer	(52,61,487)	-1.54%	1,43,38,925	4.21%
	At the end of the year					1,43,38,925	4.20%
3	Franklin Templeton Investment Funds						
	At the beginning / end of the year			1,14,92,432	3.38%	1,14,92,432	3.38%
4	Franklin Templeton Mutual Fund A/c. Franklin India Prima Fund						
	At the beginning / end of the year			1,12,53,507	3.31%	11253507	3.30%
5	RIMCO India Limited						
	At the beginning / end of the year			1,00,00,000	2.94%	1,00,00,000	2.93%
6	Franklin India Smaller Companies Fund						
	At the beginning of the year			91,72,603	2.69%		
	Datewise increase/decrease during the year	04-05-2018	Transfer	6,00,000	0.18%	97,72,603	2.87%
	At the end of the year					97,72,603	2.86%
7	PI Opportunities Fund I						
	At the beginning of the year			88,16,883	2.59%	88,16,883	2.58%
8	Komala						
	At the beginning of the year			83,52,999	2.45%		
	Datewise increase/decrease during the year	17-08-2018	Transfer	(21,000)	-0.01%	83,31,999	2.44%
		05-10-2018	Transfer	(1,29,000)	-0.04%	82,02,999	2.40%
	At the end of the year					82,02,999	2.40%
9	Ashish Dhawan						
	At the beginning of the year			28,79,308	0.85%		
	Datewise increase/decrease during the year	27-04-2018	Transfer	1,20,692	0.03%	30,00,000	0.88%
		22-06-2018	Transfer	10,00,000	0.29%	40,00,000	1.17%
		29-06-2018	Transfer	7,00,000	0.21%	47,00,000	1.38%
		06-07-2018	Transfer	3,00,000	0.09%	50,00,000	1.47%
		02-11-2018	Transfer	5,00,000	0.14%	55,00,000	1.61%
		16-11-2018	Transfer	10,00,000	0.30%	65,00,000	1.91%
		30-11-2018	Transfer	20,429	0.00%	65,20,429	1.91%
		07-12-2018	Transfer	4,79,571	0.14%	70,00,000	2.05%
		14-12-2018	Transfer	8,64,256	0.25%	78,64,256	2.30%
	At the end of the year					78,64,256	2.30%
10	ITPL - Invesco India Contra Fund						
	At the beginning of the year			12,46,003	0.37%		
	Datewise increase/decrease during the year	04-05-2018	Transfer	3,53,816	0.10%	15,99,819	0.47%
		11-05-2018	Transfer	4,81,155	0.14%	20,80,974	0.61%
		18-05-2018	Transfer	1,31,879	0.04%	22,12,853	0.65%

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		25-05-2018	Transfer	3,64,515	0.11%	25,77,368	0.76%
		22-06-2018	Transfer	1,77,541	0.05%	27,54,909	0.81%
		06-07-2018	Transfer	2,86,504	0.08%	30,41,413	0.89%
		13-07-2018	Transfer	1,33,657	0.04%	31,75,070	0.93%
		27-07-2018	Transfer	5,65,679	0.17%	37,40,749	1.10%
		03-08-2018	Transfer	4,06,451	0.12%	41,47,200	1.22%
		10-08-2018	Transfer	3,89,152	0.11%	45,36,352	1.33%
		31-08-2018	Transfer	3,39,024	0.10%	48,75,376	1.43%
		07-09-2018	Transfer	1,51,547	0.04%	50,26,923	1.47%
		21-09-2018	Transfer	1,55,562	0.05%	51,82,485	1.52%
		28-09-2018	Transfer	1,81,202	0.05%	53,63,687	1.57%
		05-10-2018	Transfer	2,87,964	0.09%	56,51,651	1.66%
		12-10-2018	Transfer	2,21,993	0.06%	58,73,644	1.72%
		02-11-2018	Transfer	6,44,896	0.19%	65,18,540	1.91%
		09-11-2018	Transfer	6,20,640	0.18%	71,39,180	2.09%
		16-11-2018	Transfer	77,606	0.03%	72,16,786	2.12%
		14-12-2018	Transfer	1,36,677	0.03%	73,53,463	2.15%
		21-12-2018	Transfer	43,037	0.02%	73,96,500	2.17%
		28-12-2018	Transfer	(1,76,102)	-0.05%	72,20,398	2.12%
		31-12-2018	Transfer	(1,91,810)	-0.06%	70,28,588	2.06%
		11-01-2019	Transfer	6,27,393	0.18%	76,55,981	2.24%
		18-01-2019	Transfer	77,280	0.03%	77,33,261	2.27%
		01-02-2019	Transfer	1,19,622	0.03%	78,52,883	2.30%
		15-02-2019	Transfer	3,63,404	0.11%	82,16,287	2.41%
		01-03-2019	Transfer	2,62,372	0.07%	84,78,659	2.48%
		08-03-2019	Transfer	(4,75,556)	-0.14%	80,03,103	2.34%
		15-03-2019	Transfer	(2,12,244)	-0.06%	77,90,859	2.28%
	At the end of the year					77,90,859	2.28%

(v) Shareholding of Directors and Key Managerial Personnel:

S No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Bhaskar S - ED & CEO						
	At the beginning / end of the year			14,05,000	0.41%	14,05,000	0.41%
2	Srimathy R - CFO						
	At the beginning / end of the year			1,197	0.00%	1,197	0.00%
3	Jayashree S Iyer - CS						
	At the beginning of the year			9,225	0.00%		
	Datewise increase/decrease during the year	28-09-2018	Allotment	6,858	0.00%	16,083	0.00%
	At the end of the year					16,083	0.00%
4	Deepti R - CS						
	At the beginning / end of the year			-	0.00%	-	0.00%

V. INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Change in Indebtedness during the financial year		NIL		
Indebtedness at the end of the financial year				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to ED & CEO

Sl No	Particulars	Amount (₹ in Lakh)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.58
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others - Contribution to provident fund	2.87
	Total (A)	63.26
	Ceiling as per the Companies Act, 2013	134.23

B Remuneration to Non-Executive Directors

(₹ in Lakh)

Sl No	Name	Remuneration	Fee for attending Board/ Committee Meetings (excluding GST)	Others	Total
1	Mr Rangachary N	4.42	2.25	-	6.67
2	Mr Arun Ramanathan	-	4.25	-	4.25
3	Mr Jayshree Ashwinkumar Vyas	2.21	3.75	-	5.96
4	Mr Raghavan M S	0.16	-	-	0.16
5	Mr Rajaraman P V	2.21	6.50	-	8.71
6	Mr Viswantha Prasad S	3.31	6.00	-	9.31
7	Mr Yogesh Chand Nanda	2.19	3.00	-	5.19
	Total (B)	**14.50**	**25.75**	**-**	**40.25**
	Total Managerial Remuneration (A+B)				103.51
	Ceiling as per the Companies Act, 2013 (1% of Profits for Financial Year 2018-19 Calculated under Section 198 of the Act)	**14.53**			

C. Remuneration to Key Managerial Personnel other than ED & CEO

(₹ In Lakh)

S No.	Particulars	CS		CFO	Total Amount
		Ms. Jayashree S Iyer (till 2nd November, 2018)	Ms. Deepti R (from 3rd November 2018)	Ms. Srimathy R	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.94	3.02	15.46	38.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.68	-	-	6.68145
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	3.31	-	-	3.31
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others - Contribution to provident fund	0.83	0.15	0.74	1.72
	Total (A)	**30.76**	**3.17**	**16.20**	**50.12**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT	NIL				

For and on behalf of the **Board of Directors**

Place : Chennai
Date : May 10, 2019

Bhaskar S
Executive Director & CEO

Rangachary N
Chairman

Management Discussion & Analysis

Business Environment

Indian Economic Overview

The Indian economy grew by 6.8% in FY 2018-19, according to data released by the Central Statistical Office (CSO), as weak manufacturing output in the fourth quarter was a drag while rural and urban demand remained subdued. However, the economy is likely to grow at over 7% in the foreseeable future, with the new government at the Centre expected to push through key structural reforms and the Reserve Bank of India (RBI) maintaining an accommodative monetary policy stance.

India is likely to remain the fastest growing major economy driven by strong domestic demand and a rebound in credit growth, amid the continued rationalisation of Goods and Services Tax (GST). In addition, the structural reforms carried out in the past two to three years and the concerted infrastructure development push are likely to have a wider impact on the economy going forward.

Retail inflation (consumer price index-based) stayed below the Reserve Bank India's (RBI) comfort level of 4% for two years in a row while fiscal deficit was contained at 3.4% of GDP, which points to the government's fiscal prudence, especially in an election year. However, strong domestic demand could widen current account deficit to 2.6% of GDP while inflation could inch up above the midpoint of the RBI's target range of 2-6%, mainly due to energy and food prices.

Banking Sector Overview

The Indian banking sector has undergone a major reset in the past two to three years with a focus on formalising the economy further and on driving greater financial inclusion. In addition, the emergence of small finance banks like Equitas Small Finance Bank is not only changing the competitive landscape, but is also opening up innovative channels to provide banking services to the hitherto economically active yet unbanked and under-banked segments of the society.

Emergent technologies such as cognitive analytics, and blockchain and distributed ledger technology are redefining banking services globally, with banks forging partnerships with fintech companies and other technology companies not just to improve efficiencies, but also to manage risks better. The creative credit scoring processes are also enabling innovative ways to take banking services at the base of the economic pyramid.

That said, rising NPA levels has significantly eroded the sector's ability to drive credit growth, forcing the RBI to bring 11 public sector banks under its prompt corrective action (PCA) framework to reduce the likelihood of contagion losses. The RBI monitors key performance indicators of banks as an early warning exercise, and the PCA framework is initiated once the thresholds relating to capital (CRAR/CET 1 ratio), asset quality (Net NPA) and profitability (RoA) are breached. In addition, the ongoing liquidity crunch at non-banking financial companies (NBFCs) due to significant asset-liability mismatch (long-term lending through short-term borrowing) remains an overhang on the banking sector.

In FY 2018-19, bank credit growth improved to 15.1% from 10.5% in FY 2017-18, while bank deposits grew 9% versus 6.7% in FY 2017-18.

Business Overview

The consolidated financial results for FY 2018-19 include:

- Equitas Holdings Limited [EHL]
- Equitas Small Finance Bank Limited [ESFB]
- Equitas Technologies Private Limited [ETPL], which is in its early stage of operations

On a consolidated basis, EHL reported a PAT of ₹ 176.97 crore versus ₹ 16.20 crore for the previous year.

Financial Performance – FY 2018-19

Consolidated

₹ in Crore

Particulars	FY 2018-19	FY 2017-18
Revenue from Operations	**2,275.30**	1,647.33
Other Income	**83.23**	132.35
Total Revenue	**2,358.53**	**1,779.68**
Finance costs	**958.93**	669.12
Operating expenses	**1,128.29**	1,091.66
Total Expenses	**2,087.22**	**1,760.78**
Profit before tax	**271.31**	**18.90**
Provision for tax	**94.74**	5.25
Profit after tax [a]	**176.57**	**13.65**
Other Comprehensive Income [b]	**0.40**	2.55
Total comprehensive Income, Net of tax (a + b)	**176.97**	**16.20**

Standalone

₹ in Crore

Particulars	FY 2018-19	FY 2017-18
Total Income	**22.52**	20.05
Operating Expenses	**9.80**	6.19
Profit before tax	**12.72**	**13.86**
Provision for tax	**3.39**	3.29
Profit after tax	**9.33**	**10.57**
Other Comprehensive Income [b]	**0.01**	0.02
Total comprehensive Income, Net of tax (a + b)	**9.34**	**10.58**

Overview of Subsidiaries

Equitas Small Finance Bank Limited (ESFB)

Approach and business strategy

Equitas Small Finance Bank continues to leverage its experience and expertise in lending to the informal segments, as the Bank builds out financing solutions for Micro and Small Enterprises (MSE). The Bank aims to be the "preferred sole banker" to MSEs and expects this segment to witness strong growth fuelled by aspirational entrepreneurs, progressive reforms and strong economic growth.

Our objective of building a stable, sustainable and scalable portfolio is progressing well, as we continue to diversify our advances portfolio. The recently launched New Commercial Vehicle loans and Working Capital loans are gaining momentum. Although yields could soften due to this diversification, the resultant improvement in asset quality and operating efficiency will ensure that the Bank remains highly profitable and valuable.

On the liabilities front, the Bank continues to focus on building a strong retail deposit franchise by offering attractive interest rates and building a culture of high-quality service to ensure that customers experience a "high value of money" relationship. We are investing in "Digital". API banking, adoption of emerging technologies, and emergence of Digital-only customers are some of the key focal points of the Bank's digital strategy.

In the medium term, we are focussed on delivering operating efficiencies from our existing assets. We have invested heavily in people, branch network and customers over the past few years, and we intend to leverage these investments to drive higher operating margins. During the past financial year, the Bank witnessed healthy growth in advances and deposits while keeping operating expenses tepid.

Operating Performance

Deposits

As of March 31, 2019, CASA deposits stood at ₹ 2,274 crore comprising a Current Account balance of ₹ 481 crore and a Savings Account balance of ₹ 1,793 crore. Retail CASA stood at ₹ 1,586 crore i.e. 70% of CASA. Term Deposits stood at ₹ 6,555 crore. Retail TD stood at ₹ 2,408 crore i.e. 42% of Term Deposits. Total deposit stood at ₹ 8,829 crore.

CASA as a percentage of total borrowings stood at 17.77% while Customer Deposits as a percentage of borrowings stood at 62.62%.

Advances

The Bank's advances grew by a healthy 43%; total net advances including 'off book' grew to ₹ 11,844 crore. The Bank's unsecured portfolio, comprising micro finance and unsecured business loans, as a percentage of the overall portfolio continued to fall and stood at 28.91% as on March 31, 2019.

The recently launched products such as New Vehicle loans and Working Capital Loans continue to gain traction as the Bank expanded its distribution reach. As of March 31, 2019, New Vehicle loans and Working Capital loans stood at ₹ 895 crore.

₹ in crore

Particulars	31st March 2019	31st March 2018	YoY %
Micro Finance	**3,073**	2,290	34%
Small Business Loans (Incl. HF)	**4,685**	2,924	60%
Vehicle Finance	**2,961**	2,265	31%
MSE Finance (Incl. BL)	**694**	547	27%
Corporate Loans	**399**	195	105%
Others+	**32**	39	-18%
Total	**11,844**	**8,260**	**43%**

+Others include Loan against Gold

Equitas Technologies Private Limited (ETPL)

ETPL, incorporated on October 27, 2015, is a wholly owned subsidiary of EHL. ETPL is in the freight facilitation-cum-aggregation business and operates the 'Wowtruck' platform. ETPL has branches in Chennai and Coimbatore and offers services throughout Tamil Nadu.

Business Model and Value Proposition

Wowtruck provides technology-based services that are mutually beneficial to freight operators and their customers. While customers benefit from ease of booking, transparency in pricing, and non-cash payment options, transporters benefit from reduced idle time. The platform

will also help formalise the transport sector, which will translate into improved banking facilities for the sector participants as transactions on the platform improve their digital footprint. Wowtruck operates predominantly within Chennai and Coimbatore (intra-city) and plans to launch inter-city services shortly.

Business Update

- The platform has onboarded over 1 lakh customers to date.
- The platform onboarded over 30,000 transporters in FY 2018-19.
- 51,000 truck loads were delivered in FY 2018-19.
- The mobile app attracted ~76% of total orders.
- The platform received an average of 5 bids from transporters for every booking.

Other Functions – A Brief Overview

Information Technology [IT]

ESFB has made significant investments in building robust and resilient technology platforms that are capable of supporting the various lines of businesses.

We have implemented many features to enhance customer delight, such as Facial Recognition based authentication for Mobile Banking. We have recently revamped our Internet Banking platform to offer a much richer User Experience. And, keeping up with the times, we have also taken steps towards "API Banking" – we have started engaging with several fintech partners to provide technology features to our customers at an even faster pace.

Treasury Operations

The Bank's well equipped Treasury operations are located at the Head Office, Chennai. The Bank is a member of Fixed Income, Money Markets & Derivatives Association [FIMMDA] and holds an AD II category license for dealing in Forex.

The Bank's Treasury completed second full year of operations this year. During this year, Treasury raised adequate funds using mix of instruments like Certificates of Deposit [CDs], Term Money, Inter Bank Participatory Certificates [IBPCs] and refinance from Financial institutions at optimal cost. These funds were partly utilised to retire high cost Non-Convertible Debentures [NCDs] issued prior to bank transition as well as to support advances growth.

In order to further augment liquidity for planned growth in advances, Treasury exited majority of Non-SLR investments during the year. Further the Bank's SLR securities under AFS category comprises of only Treasury Bills to insulate the portfolio from Mark To Market [MTM] impact, if any."

Risk Management

Managing risk is fundamental to financial services industry, in general and in particular, to banks. It is a basic key to ensure sustained profitability and stability. While risks are assumed after appropriate considerations, some risks may arise due to unintended consequences of internal actions or external events. The Bank views Risk Management as one of its core competencies and tries to ensure that risks are identified, assessed and managed in a timely manner. The Bank's Risk Management framework aligns risk and capital management to business strategies, aimed to protect its financial strength, reputation and ensures support to business activities for adding value to customers while creating sustainable shareholder value.

The Bank has an independent integrated risk management function covering credit risk, market risk, assets liabilities management [ALM] and operational risk including information security risk functions. The risk function is headed by Chief Risk Officer [CRO], who reports to the MD & CEO of the Bank. The Risk Management Committee [RMC] of the Board is responsible for overall governance framework for the risk management of the Bank. The RMC of the Board is supported by various management level committees – Executive Risk Management Committee, Asset Liability Committee, Credit Risk Management Committee, Operational Risk Management Committee and Information Security & Cyber Risk Committee.

Compliance

The Bank is committed to adhering to the highest standards of regulatory compliance, governance and ethics. The Compliance Department, headed by the Chief Compliance Officer [CCO], functions as an independent unit to assist the Management team in identifying compliance risks across the Bank and mitigating them by framing appropriate policies, procedures, and oversight. The Compliance Department also provides advisory support by reviewing policies and products rolled out by the Bank and has in place the required framework for transaction monitoring and testing the implementation of regulations, ensuring right Governance structures and handling regulatory relationships, including proactively engaging with the regulators for industry-level initiatives.

Internal Audit

The Bank's Internal Audit function provides independent assurance to the Board of Directors on an ongoing basis on the quality and effectiveness of its internal controls, risk management, governance systems and processes. Internal Audit Department undertakes various Audits like Risk Based Internal Audit [RBIA] of the branches, Credit Audit, Revenue Audit, Information System Audit, Thematic Audits and Management Audit of the Head Office Departments. Concurrent Audit is being carried out for various areas like Treasury operations, KYC compliance, Payroll, other expenditure etc., based on the risk assessment and regulatory requirements.

Human Resources

The Group's People mission is to nurture and empower employees who demonstrate both honesty and high performance in a fair and transparent environment. The Group ended the year with a manpower strength of over 14,650 employees.

The main subsidiary, ESFB has made concerted efforts to ensure that the employees' capabilities are developed by providing continual learning experiences on products and processes. Key focus areas for the Bank during the year was the strengthening of HR operations and processes, improving the timeliness and quality of hiring for frontline roles, integrating the recruits from other banks into the culture of Equitas, handling the training needs of the new recruits etc., Human Resources team will continue to play a pivotal role in ensuring that we have a high-performing and engaged workforce equipped to deliver results.

Corporate Social Responsibility

The Mission of Equitas Group is 'Empowering through Financial Inclusion'. In line with this Mission, besides providing finance at reasonable cost to those who are not effectively serviced by the mainstream financial institutions, Equitas has developed a wide range of initiatives towards improving the quality of life of its low-income constituents. These initiatives are carried out through a 'not-for-profit' Trust -- Equitas Development Initiatives Trust [EDIT] established by the Company.

- As per the CSR Policy, contributions up to 5% of net profit in each financial year, subject to minimum contribution stipulated under the Companies Act, 2013, are made to EDIT to carry out CSR initiatives.
- The various CSR activities undertaken include: i) running seven schools in Tamil Nadu for children from low income families, ii) skill development of women through training in tailoring & embroidery, doll making, artificial jewellery making, candle making etc., iii) pavement dwellers rehabilitation programs [Equitas Birds Nest], iv) placement coordination for unemployed youth of low income communities by networking with employers through job fairs and v) conducting primary health camps through tie-ups with hospitals.

The summary of the various CSR activities covered through the funding by the Group for FY 2018-19 as well as cumulatively from inception is provided in the following table:

Nature of activity	FY 2018-19	Cumulative
Eye-camp participants [A] [free]	**1,91,173**	22,86,854
- Spectacles distributed [free]	**9,029**	1,08,275
- Cataract surgeries conducted [free]	**1,636**	30,793
People covered in other medical camps [B]	**2,33,082**	34,01,565
Total [eye camps + medical camps] [A]+[B]	**4,24,309**	56,88,473
Participants in skill training programmes	**29,531**	5,10,440
People accessing Health Helpline	**1,402**	25,696
Placement for Unemployed youth	**29,185**	1,60,859
Swasth Mahila Health Education	**25,498**	1,64,364
Equitas Birds Nest	**325**	1,684

In addition, the Bank through its Micro Finance loan programmes supported about 10,946 people with physical disabilities during FY 2018-19 and cumulatively over 32,715. Of these, around 1,707 were visually challenged and cumulative beneficiaries stood at 5,540.

Outlook and Challenges

The customer segments that we operate in offer potential for the Bank to outpace industry growth. The informal and semi-formal segments continued to experience shortage in credit supply, resulting in stickier yields in the medium term. However, as universal and small finance banks expand their reach into these segments, we expect yields to soften.

The bank will see its operating leverage kick in as it has frontloaded its investment in technology, branch network and people over the past couple of years, which will result in a favourable movement in return ratios. The challenge remains on being able to leverage these initiatives to carve out a space in the competitive banking industry and be able to take banking to the masses efficiently and at optimal costs.

Cautionary Statement

Statements made in this MD&A describing the Group's objectives, projections, estimates, general market trends, expectations etc., may constitute 'forward looking statements' within the ambit of applicable laws and regulations. These 'forward looking statements' involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the 'forward looking statements'. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategies, future levels of non-performing advances, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks or other risks.

For and on behalf of the **Board of Directors**

Place : Chennai
Date : 10.05.2019

S Bhaskar
ED & CEO

N Rangachary
Chairman

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of
Equitas Holdings Limited

1. The Corporate Governance Report prepared by Equitas Holdings Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchanges.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that at least one woman director was on the Board throughout the year;

   iv. Obtained and read the minutes of Annual General Meeting held on July 27, 2018;

   v. Obtained and read the minutes of Meetings of the Board of Directors and the following committees of the Board held from April 1, 2018 to March 31, 2019

      (a) Audit Committee;

      (b) Nomination, Remuneration & Governance Committee;

      (c) Stakeholders' Relationship Committee;

      (d) Corporate Social Responsibility Committee;

      (e) IT Strategy Committee; and

      (f) SFB Listing Committee.

   vi. Obtained necessary representations and declarations from the directors of the Company including the Independent Directors;

   vii. Obtained and read the policy adopted by the Company for dealing with related party transactions;

   viii. Obtained the schedule of related party transactions entered into by the Company during the year and balances at the year- end; Read and understood from the minutes of the Meetings of Audit Committee that such related party transactions have been pre-approved by the audit committee;

ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

UDIN: 19211107AAAABQ9579

Place : Chennai
Date: June 26, 2019

Report on Corporate Governance

1. Corporate Governance Philosophy

The philosophy of Equitas on Corporate Governance envisages adherence to the highest levels of transparency, accountability and fairness, in all areas of its operations and in all its interactions with stakeholders. Equitas deals with borrowers who are mostly from the economically weaker sections of the society with poor linkages to mainstream financial markets. Right from inception, the Company's policies and processes have been fine-tuned to ensure utmost clarity and fairness while dealing with such clients. The Governance and Value Creation Rating by CRISIL captures some of the best practices the Company adopts in transacting with its clients as well as employees.

Corporate Governance Rating

Equitas has been recognized for its compliance with the highest levels of Corporate Governance. Equitas remains at Level 2 on Governance & Value Creation Rating by CRISIL.

The Company has also been rated by Institutional Investor Advisory Services (IIAS), a proxy advisory firm as among the Top 5 companies on the Indian Corporate Governance Scorecard, out of the 50 companies that listed on BSE between April 2015 and March 2017.

2. Board of Directors

i. As on March 31, 2019, the Company's Board comprised of six experts drawn from diverse fields / professions.

ii. The composition of Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") and the provisions of Section 149 of the Companies Act, 2013 ("the Act")

iii. The Board of Directors met Four (4) times during the year 2018-19 viz. April 27, 2018, July 27, 2018, November 2, 2018 and February 01, 2019. The gap between two Meetings did not exceed one hundred and twenty days.

iv. The names and categories of Directors on the Board, their attendance at Board Meetings and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Board and Committee Chairmanships /Memberships held by them as well as their shareholding as on March 31, 2019 are given below.

v. None of the Directors on the Board holds directorships in more than ten public companies; None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures including the declaration under Regulation 25(8) of SEBI Listing Regulations have been obtained from the Independent Directors.

vi. There is no relationship between Directors inter-se.

vii. In the opinion of the Board, the Independent Directors continue to meet the criteria of independence as mentioned under SEBI Listing Regulations and that they are independent of the management.

Name of the Director	No. of Board Meetings attended during FY 2018-19	Attendance at the last AGM	No. of Directorships in public companies[$]		Number of Committee positions in public companies[$$]		Directorship in other listed entities
			Directorship	Chairmanship	Membership	Chairmanship	
Mr Rangachary N (Chairman)/ Non-Executive Independent Director)	4	Yes	3	2	3	Nil	Independent Director in 1. Orient Green Power Company Limited 2. Salzer Electronics Limited
Mr Arun Ramanathan (Non-Executive Independent Director)	3	Yes	2	1	2	1	Independent Director in 1. Thirumalai Chemicals Limited 2. Equitas Small Finance Bank Limited (Debt Listed)
Ms Jayshree Ashwinkumar Vyas (Non-Executive Independent Director)	4	Yes	2	Nil	Nil	Nil	Nil

Name of the Director	No. of Board Meetings attended during FY 2018-19	Attendance at the last AGM	No. of Directorships in public companies[$]		Number of Committee positions in public companies[$$]		Directorship in other listed entities
			Directorship	Chairmanship	Membership	Chairmanship	
Mr Rajaraman P V (Non-Executive Independent Director)	4	Yes	Nil	Nil	Nil	Nil	Nil
Mr Raghavan M S[#] (Non-Executive Independent Director)	Nil	NA	NA	NA	NA	NA	NA
Mr Viswanatha Prasad S (Non-Executive Independent Director)	4	Yes	Nil	Nil	Nil	Nil	Managing Director, Caspian Impact Investments Private Limited (Debt listed)
Mr Yogesh Chand Nanda[##] (Non-Executive Independent Director)	3	No	NA	NA	NA	NA	NA
Mr Bhaskar S [$$$] (ED & CEO)	4	Yes	Nil	Nil	Nil	Nil	Nil

[$]Excluding Directorship in private limited companies, foreign companies and companies under Section 8 of the Act;
[$$]Audit Committee and Stakeholders' Relationship Committee in public limited companies alone are considered

[#] Resigned from the Board w.e.f. April 27, 2018

[##] Mr Yogesh Chand Nanda ceased as an Independent Director w.e.f. March 28, 2019 consequent to the announcement of voting results of Postal Ballot in which special resolution for continuation of his directorship was proposed along with two other Directors including Chairman.

[$$$] None of the Directors except Mr Bhaskar S, ED & CEO (holding 14,05,000 equity shares in the Company) holds shares in the Company.

Familiarization programme for Directors

All Independent Directors inducted on the Board undergo an orientation programme. Presentations are made by Chief Executives and Senior Management giving an overview of the group structure, its businesses including its subsidiaries, the environment in which it operates, its various regulators and the Board constitution. The details of the familiarization programme for Directors are available on the Company's website https://www.equitas.in/pdf/Familiarisation-Programme-for-Independent-Directors.pdf

Board qualification, expertise and attributes

The Company's Board comprises of qualified Members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board Members are committed to ensure that the Company's Board is in compliance with the highest standards of Corporate Governance.

The Board, while considering a person for appointment as Director, determines suitability of the person as a Director on the Board, based upon qualification, track record, expertise, integrity and undertakes necessary due diligence to ensure that the appointee Director fulfills the criteria for Board membership as mentioned in the Policy for ascertaining 'fit and proper' status of Directors. https://www.equitas.in/pdf/EHLFit&ProperPolicy.pdf and other 'fit and proper criteria'.

The Board has identified the following areas of expertise, which are fundamental for effective functioning of the Company. viz., Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance, as mentioned in the aforesaid policy. The Board of Directors of the Company satisfies the required levels of competency / skillset.

Information to the Board

In advance of each Meeting, the Board is presented with relevant information on various matters relating to the working of the Company, especially those that require deliberation and guidance at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to Management. In addition to items which are required to be placed before the Board for its noting and/or approval, information is provided on all significant matters. The Company diligently ensures that the information furnished by Management to the Board of the Company is comprehensive and of a very high order.

Separate Meeting of Independent Directors

During the year under review, the Independent Directors had a separate Meeting on April 27, 2018 without the presence of the Management team and the Non-Independent Directors of the Company. At the said Meeting, Independent Directors of the Company reviewed the performance of Chairman, Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

3. Committees of the Board

The Board at present has seven (7) Committees viz., Audit Committee (ACB), Nomination, Remuneration & Governance Committee (NRGC), Corporate Social Responsibility Committee (CSRC), Stakeholders Relationship Committee (SRC), Risk Management Committee (RMC), IT Strategy Committee (ITSC) and SFB Listing Committee (SFBLC). The Board fixes the terms of reference of Committees and also delegates powers from time to time. The Minutes of the Meetings of the Committee(s) are placed before the Board.

Meetings & Attendance

Name of the Committee →	Audit Committee (ACB)	Nomination & Remuneration Committee (NRGC)	Stakeholders' Relationship Committee (SRC)	Corporate Social Responsibility Committee (CSRC)	Risk Management Committee (RMC)	IT Strategy Committee (ITSC)	SFB Listing Committee (SFBLC)[$]
No. of Meetings held	**4**	**4**	**3**	**2**	**Nil**	**3**	**4**
Date of Meetings	April 27, 2018, July 27, 2018, November 2, 2018 and February 1, 2019	April 27, 2018, July 27, 2018, November 2, 2018 and February 1, 2019	April 27, 2018, November 2, 2018 and February 1, 2019	April 27, 2018 & February 1, 2019	NA	April 27, 2018, July 27, 2018 and February 1, 2019.	November 21, 2018, November 26, 2018, December 10, 2018 and January 14, 2019.
Mr Rangachary N* (Chairman)	Nil	NA	NA	NA	NA	NA	NA
Mr Arun Ramanathan (Chairman of SRC & CSRC and Member of NRGC & SFBLC)	NA	3	2	1	NA	NA	4
Ms Jayshree Ashwinkumar Vyas (Member of NRGC & CSRC)	NA	4	NA	2	NA	NA	NA
Mr Rajaraman P V (Chairman of NRGC & SFBLC and Member of ACB, CSRC & SRC)	4	4	3	2	NA	NA	4
Mr Viswanatha Prasad S (Chairman of ACB, RMC & ITSC and Member of NRGC & SFBLC)	4	4	NA	NA	NA	3	4
Mr Yogesh Chand Nanda#	3	NA	NA	2	NA	NA	NA
Mr Bhaskar S (ED & CEO) (Member of SRC, RMC, ITSC, SFBLC)	NA	NA	3	NA	NA	3	1

[#]Mr Yogesh Chand Nanda ceased to be an Independent Director and consequently as a Member of ACB & CSRC w.e.f. March 28, 2019.
[*]Subsequently, Mr Rangachary N has been inducted as a Member of ACB w.e.f. April 11, 2019.

[$]Ms Lalitha Lakshmanan, Mr Nagarajan Srinivasan, Directors, ESFBL and Mr Vasudevan P N, MD & CEO, ESFBL were nominated by the Board of Equitas Small Finance Bank Limited (ESFBL).

Terms of Reference of Audit Committee
The role of Audit Committee, among others includes:

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending to the Board, the appointment, remuneration and terms of appointment of the statutory auditors and internal auditors of the Company;

(c) Approval of payment to statutory auditors for any other services rendered by statutory auditors;

(d) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

(ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by Management;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with accounting and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions;

(vii) Modified opinion(s) in the draft audit report.

(e) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

(f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, preferential issue, rights issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process;

(h) Approval or any subsequent modification of transactions of the Company with related parties;

(i) Scrutiny of inter-corporate loans and investments;

(j) Valuation of undertakings or assets of the Company, wherever it is necessary;

(k) Evaluation of Internal Financial Controls and Risk Management Systems;

(l) Reviewing, with the management, the performance of statutory and internal auditors and the adequacy of the internal control systems;

(m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) Discussion with internal auditors on any significant findings and follow up thereon;

(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) To review the functioning of the whistle blower mechanism;

(s) Approval of appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background etc. of the candidate;

(t) Review the financial statements, in particular the investments made by the Subsidiary Company;

(u) Laying down and review of procedures relating to risk assessment and risk minimization to ensure that executive management control risk through means of a properly defined framework;

(v) Review and monitoring of implementation and functioning of the Policy for Prevention of Sexual harassment at work place;

(w) To periodically review and monitor implementation of Internal Code of Conduct for Prevention of Insider Trading;

(x) To review the utilisation of loans and / or advances from / investment by the holding company in the Subsidiary exceeding ₹ 100 crore or 10% of the asset size of the Subsidiary, whichever is lower and

(y) Carrying out any other function prescribed under the law.

The Audit Committee shall mandatorily review the following information:

(i) Management discussion and analysis of financial condition and result of operations;

(ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;

(iii) Management letters/ letters of internal control weaknesses issued by the statutory auditor;

(iv) Internal audit reports relating to internal control weaknesses;

(v) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and

(vi) Statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The powers of Audit Committee shall include the following:

(i) To investigate any activity within its terms of reference;

(ii) To seek information from any employee;

(iii) To obtain outside legal or other professional advice; and

(iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference of Nomination, Remuneration & Governance Committee

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and evaluation of Director's performance;

(e) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(f) Recommend to the Board, all remuneration, in whatever form payable to the Managing and Whole-time Directors and senior management of the Company from time to time;

(g) Administration and superintendence in connection with the employees stock option scheme (the Scheme) under the broad policy and framework laid down by the Company and/or by the Board of Directors;

(h) Formulate from time to time specific parameters relating to the Scheme, including,

(i) The quantum of options to be granted under the Scheme to a particular eligible employee or to category or group of eligible employees and in aggregate;

(ii) Determination of eligibility conditions and selection of eligible employees to whom options may from time to time be granted hereunder;

(iii) The vesting period and the exercise period within which the eligible employee should exercise the options and those options would lapse on failure to exercise the options within the exercise period;

(iv) The conditions under which options vested in eligible employee may lapse in case of termination of employment for misconduct;

(v) The specified time period within which the eligible employee shall exercise the vested options in the event of termination or resignation of an eligible employee;

(vi) The right of an eligible employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

(vii) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, etc.;

(viii) Make rules by which all options including non-vested options vest immediately in case of sale, transfer or takeover of the Company or amalgamation of the Company with any other company, etc. and provide for rules related to exercise period under such circumstances;

(ix) Make rules related to performance based vesting of such part of the options granted to eligible employees as the Committee may decide;

(x) To prescribe, amend and rescind rules and regulations relating to the Scheme;

(xi) To construe, clarify and interpret the terms of the scheme and options granted pursuant to the Scheme.

(i) To study the report issued by CRISIL on the Governance Rating as well as the Guidelines on Corporate

Governance and Corporate Social Responsibility issued by Ministry of Corporate Affairs, SEBI and other authorities.

(j) To study the best practices and benchmarks of leading Indian corporates as well as international best practices.

(k) To recommend to the Board, the draft set of governance guidelines to achieve the highest level of governance on par with global benchmarks.

(l) Based on approval by the Board, to oversee the implementation of the same, both at the Board level and Management level.

(m) Carry out any other function as may be prescribed under the law.

Performance evaluation criteria

The Nomination, Remuneration & Governance Committee has drawn out a Policy for evaluation of the Board, its Committees, Chairman and Directors and the same has been approved by the Board of Directors of the Company. The process for Board Evaluation is given in the Board's Report.

Remuneration of Directors

Remuneration Policy

The Company has in place a Remuneration Policy which is guided by the principles and objectives as enumerated in Section 178 of the Act which is also disclosed on our website https://www.equitas.in/pdf/EHLRemunerationPolicy.pdf. The compensation to the only Executive Director of the Company is within the limits prescribed under the Act. He is not paid Sitting fees for any Board/ Committee Meeting attended by him.

The remuneration to the Non-Executive / Independent Directors has been fixed at a level, not exceeding 1% of the net profits of the Company calculated in accordance with Section 198 of the Act. Non-Executive / Independent Directors who are on the Board of the Company as well as in the Subsidiary Company (ies) are paid remuneration either by the Company or Subsidiary Company (ies).

The Independent Directors of the Company are not eligible for stock options. The Directors are not paid/ entitled to any remuneration except as disclosed in this Report. There is no pecuniary relationship or transaction between the Company and the Non-Executive/Independent Directors.

All Directors, except the Executive Director, were paid a sitting fee of ₹ 50,000 for attending every Meeting of the Board and ₹ 25,000 for every Meeting of Committees. The details of sitting fees paid to Non-Executive / Independent Directors for the year ended March 31, 2019 are as follows:

Name	Commission (in ₹)	Sitting Fees (in ₹)	
		Board	Committee
Mr Rangachary N	4,41,870	2,00,000	25,000
Mr Arun Ramanathan	Nil	1,50,000	2,75,000
Ms Jayshree Ashwinkumar Vyas	2,20,940	2,00,000	1,75,000
Mr Raghavan M S (Resigned from the Board w.e.f. April 27, 2018)	15,740	Nil	Nil
Mr Rajaraman P V	2,20,940	Nil	Nil
Mr Viswanatha Prasad S	3,31,400	2,00,000	4,00,000
Mr Yogesh Chand Nanda (Ceased as an Independent Director w.ef. March 28, 2019)	2,19,120	1,50,000	1,50,000

Remuneration of Executive Director & Chief Executive Officer (ED & CEO) for FY 2018-19

Sl. No.	Particulars	Amount (₹ in lakh)
1	Salary	59.81
2	Perquisites	0.58
3	Stock Option	-
4	Sweat Equity	-
5	Commission	
	-as % of profit	-
	-others	
6	Others – Employer's Contribution to Provident Fund etc.	2.87
	Total	**63.26**

There are no performance linked incentives, service contracts, notice period or severance fees to the Directors.

Terms of Reference of Stakeholders' Relationship Committee

(a) Resolving the grievances of the security holders of the Company, including complaints related to the transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc;

(b) Review of measures taken for effective exercise of voting rights by shareholders;

(c) Review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar & Share Transfer Agent;

(d) Review of various measures taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

(e) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

(f) To allot shares on exercise of options granted to employees under the Equitas Employees Stock Option Scheme, 2015 or such other Scheme formulated by the Company from time to time; and

(g) Carrying out any other function as prescribed under the law.

Name, designation and address of Compliance Officer:

Ms Deepti R
Company Secretary
Equitas Holdings Limited
410A, 4th Floor Spencer Plaza,
Phase-II, No.769, Mount Road,
Anna Salai,
Chennai 600 002
Telephone: +91 44 4299 5000
Fax: +91 44 4299 5050
Email: secretarial@equitas.in

Details of investor complaints received and redressed during FY 2018-19 are as follows:

Particulars	No. of complaints
Pending at the beginning of the year	0
Received during the year	5
Resolved during the year	5
Remaining unresolved at the end of the year	0

Terms of Reference of Corporate Social Responsibility Committee

(a) Review the mission of the Organisation from time to time and ensure it stays aligned to the changing context of the Organisation;

(b) Ensure alignment of the business goals and objectives of the Company in line with the mission of the Organisation;

(c) Bring specific focus on certain excluded segments of client community and set benchmark for the same;

(d) Review all the social activities of the Company and suggest to the Board of Trustees suitable measures for enhancing the efficacy of these activities;

(e) Deploy such tools of measurement as may be relevant and available from time to time to study the impact of the social performance activities of the Company and benchmark the same with other MFIs in India and around the world;

(f) Disseminate information related to the social performance of the Organisation in such manner as deemed appropriate;

(g) Review the amount spent on social activities and advise the Board on its efficacies; and

(h) To formulate and recommend to the Board, the CSR policy of the Company.

Terms of Reference of IT Strategy Committee

(a) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

(b) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;

(c) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

(d) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

(e) Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

(f) Instituting an appropriate governance mechanism for outsourced processes, if any, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;

(g) Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;

(h) Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;

(i) Periodically reviewing the effectiveness of policies and procedures;

(j) Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;

(k) Communicating significant risks in outsourcing to the Board of Directors of the Company on a periodic basis;

(l) Ensuring an independent review and audit in accordance with approved policies and procedures;

(m) Ensuring that contingency plans have been developed and tested adequately and

(n) Any other role/responsibility as regulated by RBI Directions from time to time.

Terms of Reference of Risk Management Committee

1. To assess periodically, risks to the effective execution of business strategy and review key leading indicators;

2. To review and approve the Risk Management framework of the Company on annual basis;

3. To review periodically, the risk management processes and practices of the Company;

4. To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in its business activities;

5. Evaluation of significant risk exposures of the Company and assessing management's action to mitigate the exposure in a timely manner;

6. To co-ordinate with the activities of Audit Committee where there is any instance of overlap with the audit activities;

7. To periodically report to the Board including risk management and risk minimisation procedures;

8. Laying down and review of procedures relating to risk assessment & risk minimization to ensure that executive management controls risk through means of a properly defined framework; and

9. Carrying out any other function as prescribed under the law.

Terms of Reference of SFB Listing Committee

i) To evaluate various options for listing the shares of Equitas Small Finance Bank Limited ("ESFBL") within the timelines as prescribed in the Guidelines for Licensing of Small Finance Bank dated 27th November 2014 by Reserve Bank of India, including through an appropriate Scheme of Arrangement and Reconstruction ("Scheme") under relevant provisions of Companies Act, subject to compliance with Income tax Act and other Statutory and Regulatory requirements, without the need for going for an Initial Public Offer and revert back to the Board.

ii) To approve appointment of Merchant Banker to assist in listing the shares of the ESFBL and such other intermediaries, agencies and professionals such as legal counsels, tax consultants, valuers, PR agencies etc as might be necessary to facilitate drafting of various legal documents viz., Scheme of Reconstruction and Arrangement, Information Memorandum/Draft Red Herring Prospectus and apply to all authorities and regulators as may be required such as RBI, SEBI, Stock Exchanges, NCLT, Shareholders etc for approval of such Scheme and other approvals as may be required and appear on behalf of the Company and ESFBL before such regulatory and statutory authorities.

iii) To finalise and approve necessary legal documents viz, Scheme of Reconstruction and Arrangement, Information Memorandum/Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus and such other documents as may be required, in connection with the Scheme of Reconstruction and Arrangement and/or listing of shares of ESFBL;

iv) To approve and authorise one or more officers to appoint merchant bankers, advocates, solicitors, attorneys, legal counsel, company secretaries, advisors, valuers, auditors, accountants, registrars, tax consultants and such other persons or agencies as may be required in connection with the Scheme of Reconstruction and Arrangement and/or listing process on such terms and conditions including their fees or remuneration as they may deem fit and issue letters of appointments or vakalatnamas or authority letters in this regard;

v) To approve and authorise one or more officers to negotiate, finalise, settle, execute and deliver agreements, contracts, deeds, documents, applications to such regulatory and statutory authorities as may be necessary in connection with the Scheme of Reconstruction and Arrangement and/or listing process;

vi) To convene / authorize one or more officers to convene Meeting of Shareholders / Creditors and seek, if required, the consent of shareholders, lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents from statutory and regulatory authorities that may be required in relation to the Scheme of Reconstruction and Arrangement and/or listing process;

vii) To authorize one or more officers of the Company to finalize applications for listing of equity shares of ESFBL in one or more recognised stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

viii) To settle any question, difficulty or doubt that may arise in connection with the listing including the allotment and granting of the Equity Shares as aforesaid and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may in its absolute discretion deem fit;

ix) To carry out such duties/ exercise such other functions as may be delegated by the Board from time to time in connection with the Scheme of Arrangement and/or listing of shares of ESFBL.

4. Annual General Body Meetings

Details relating to last three Annual General Meetings:

Year	Date	Time	Location	No. of Special Resolution(s) passed
2018	July 27, 2018	2.30 P.M.	Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G N Chetty Road, T Nagar, Chennai – 600 017.	One
2017	June 30, 2017	10.15 A.M.	Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G N Chetty Road, T Nagar, Chennai – 600 017.	Six
2016	June 22, 2016	11.30 A.M.	Kamarajar Arangam, Teynampet, Chennai 600 006	Two

All the proposed resolutions, including Special Resolutions, were passed by the shareholders as set out in their respective Notices.

Details of special resolution passed through postal ballot:

Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the following Special Resolutions were proposed for approval of the shareholders by Postal Ballot

Particulars of the Resolution(s) (1)	Continuation of Directorship Mr Rangachary N, Independent Director (2)	Continuation of Directorship Mr Yogesh Chand Nanda, Independent Director (3)	Continuation of Directorship Mr Rajaraman P V, Independent Director (4)
Name of the Scrutiniser	Ms Jayashree S Iyer, Practising Company Secretary		
Date of completion of Postal Ballot	March 28, 2019		
Date of Report of Scrutiniser	March 29, 2019		
Date of declaration of Results	March 30, 2019		
Particulars	**Voting pattern**		
Valid Ballots/Votes	216054656	216054568	216054750
In favour	163043724	155612521	216051978
Percentage (%) in favour of the resolution	75.46%	72.02%	99.99%
Against	53010932	60442047	2772
Percentage (%) against the resolution	24.54%	27.98%	0.01%
Invalid Ballots/Votes	0	0	0

All the resolutions put forth in the Postal Ballot Notice dated February 01, 2019 were passed with the requisite majority except column No. 3 above.

Procedure for postal ballot

The Postal Ballot has been carried out as per the procedure stipulated under the Companies (Management and Administration) Rules, 2014. During the process of Postal Ballot, shareholders are

provided the remote e-voting facility pursuant to Regulation 44 of the SEBI Listing Regulations and the said rules. Resolution(s), if required, shall be passed by Postal Ballot during the FY 2019-20, as per the prescribed procedure.

5. Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in one English and Regional language [Tamil] newspapers viz., Business Standard and Makkal Kural, respectively. The Company's financial results and official news releases, presentations made to institutional investors / analysts are hosted on the Company's website https://www.equitas.in under the Investor Information Section.

The financial results and other information filed by the Company from time to time are also available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited. The said stock exchanges have introduced NSE Electronic Application Processing System (NEAPS) and BSE Listing centre. Various compliances as required / prescribed under the SEBI Listing Regulations are filed through these systems.

5.1 Green Initiatives

Pursuant to the Companies (Accounts) Rules, 2014 and as a measure of promoting Green Initiatives, the Company proposes to send the financial statements for the year ended March 31, 2019 and Notice of 12th Annual General Meeting by electronic mode to the Members whose email Ids are registered with the Depository Participant(s)/ Company for communication purposes. For Members who have not registered their email address, physical copies will be sent in the permitted mode.

The Company seeks your support in promoting the Green Initiatives, as it is designed to protect our fragile environment.

6. General Shareholder Information

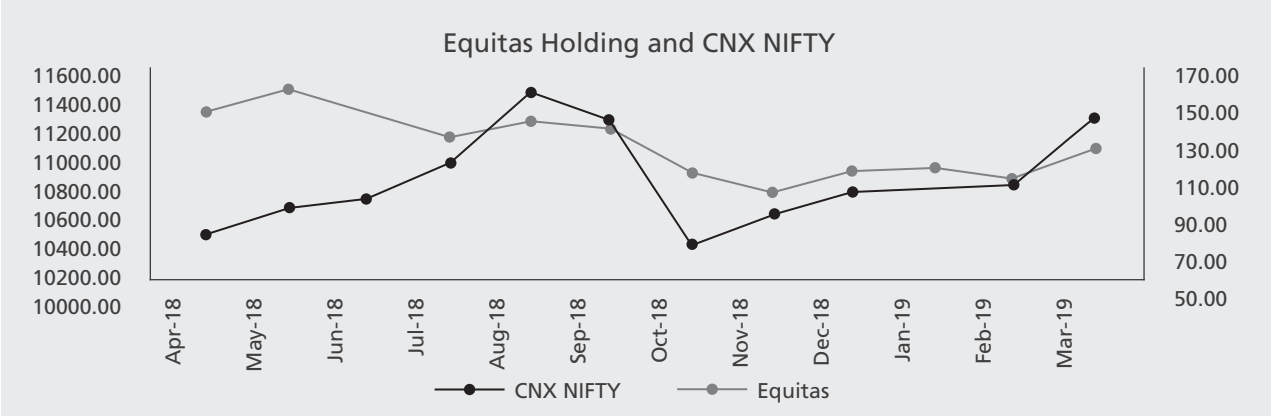
Annual General Meeting Date	August 02, 2019
Time	4.30 P.M.
Venue	Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G N Chetty Road, T Nagar, Chennai – 600 017.
Financial year	April 1, 2018 to March 31, 2019
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such Stock exchange(s):	The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex (BKC) Bandra (East) Mumbai – 400051
Listing Fees	Listing fees payable to the stock exchanges for the financial year 2019-20 have been paid in full.
Stock Code	BSE – 539844 NSE – EQUITAS
ISIN	INE988K01017
Book Closure Date	July 27, 2019 to August 02, 2019
Market price data- high, low during each month in last financial Year	Details are provided in the table below
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index, etc.	Details are provided in the chart below
Registrar and Share Transfer Agents;	Karvy Fintech Private Ltd ("Karvy") Karvy Selenium Tower B, Plot number 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500 032 Contact Person: Ms Rajitha Cholleti Ph: +91 40 6716 1508 Website: www.karvycomputershare.com

Annual General Meeting Date	August 02, 2019
Share transfer system	99.94% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the Depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with Karvy at the address mentioned above. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects.
Distribution of shareholding (as on 31.03.2019)	Details are provided in the table below
Dematerialization of shares and liquidity (as on 31.03.2019)	The total shares held in dematerialized form : 99.94%
Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity date and likely impact on equity	Nil
Commodity price risk or foreign exchange risk and hedging activities	Nil
Plant locations	Nil
Address for correspondence	**Company Secretary** **Equitas Holdings Limited** 410A, 4th Floor, Spencer Plaza, Phase II, No.769, Mount Road, Anna Salai, Chennai 600002 Tel : +91 44 4299 5000 Fax: + 91 44 4299 5050 Email : secretarial@equitas.in

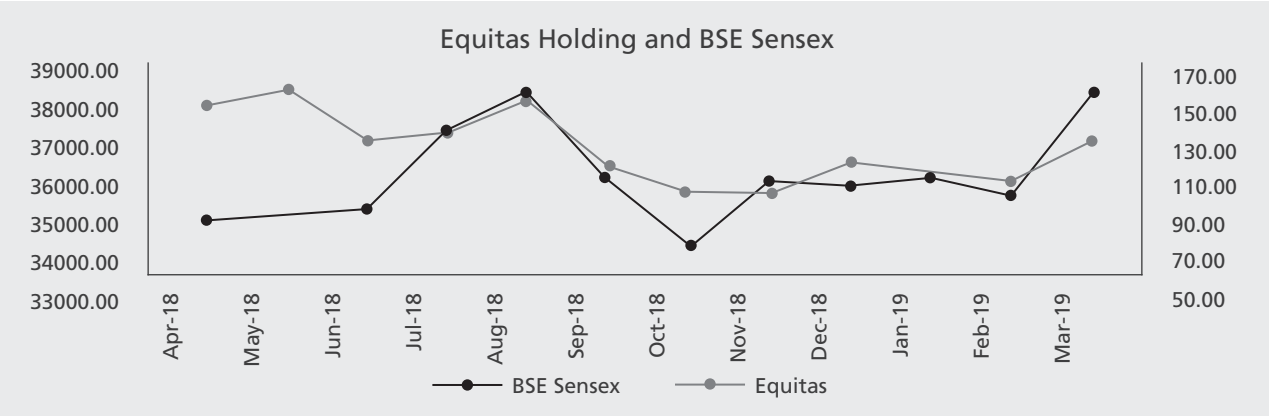
Market price data - High, Low during each month in last Financial Year:

Month	BSE		NSE	
	High	Low	High	Low
Mar-19	140.15	113.60	140.20	113.25
Feb-19	125.60	109.35	125.50	109.10
Jan-19	126.40	122.70	126.45	122.50
Dec-18	128.90	103.85	128.55	103.80
Nov-18	118.60	102.10	120.65	102.05
Oct-18	134.60	78.00	134.70	77.85
Sep-18	163.20	117.85	163.25	117.50
Aug-18	161.15	138.20	161.15	138.10
Jul-18	147.00	131.70	147.40	131.30
Jun-18	169.30	133.45	169.35	133.00
May-18	173.40	150.10	173.65	150.05
Apr-18	161.65	143.60	161.70	143.15

Equitas Holdings Ltd. and CNX Nifty



Equitas Holdings Ltd. and S&P BSE Sensex



Shareholding pattern as on March 31, 2019:

Description	No. of holders	No. of Shares	% Equity
Foreign Corporate Bodies	3	4,49,88,805	13.18
Foreign Portfolio Investors	68	6,34,12,197	18.57
Non Resident Indians/ Non Resident Indians - Non Repartriable	575	9,96,280	0.29
Mutual Funds	20	12,24,84,019	35.87
Resident Individuals	109,530	6,25,79,081	18.33
Bodies Corporates	817	2,25,67,239	6.61
Alternative Investment Fund	11	1,44,72,692	4.24
Banks / Indian Financial Institutions	4	64,16,328	1.87
Others - (Trusts, Clearing Members, NBFC)	148	35,44,857	1.04
Total	**1,11,176**	**34,14,61,498**	**100.00**

Distribution of equity shareholding as on March 31, 2019:

Category (Shares)	No. of shareholders	% of shareholders	No. of shares	% of shares
1-500	97,008	87.26	1,23,24,794	3.61
501- 1000	7,176	6.45	56,60,297	1.66
1001- 2000	3,883	3.49	56,33,559	1.65
2001- 3000	1,090	0.98	27,26,918	0.8
3001- 4000	519	0.47	18,50,461	0.54
4001- 5000	318	0.29	14,63,783	0.43
5001- 10000	571	0.51	40,34,846	1.18
10001& Above	611	0.55	30,77,66,840	90.13
Total	**1,11,176**	**100**	**34,14,61,498**	**100.00**

7. Other Disclosures

A. Related Party Transactions

The particulars of transactions between the Company and its related parties, as defined under Section 2(76) of the Act and in IndAS 24, are set out in the financial statements. The Board has put in place a policy on related party transactions and the same has been uploaded on the Company's website https://www.equitas.in/pdf/EHLPolicyonRelatedPartyTransactions.pdf. There were no materially significant related party transactions having potential conflict with the interests of the Company, during the year 2018-19.

B. Details of non-compliances by the company, penalties, strictures imposed on the company by the stock exchanges or SEBI or any statutory authorities on any matter related to capital markets during the last three years:

Nil

C. Whistle blower policy

The Company has established a Whistle Blower Policy pursuant to which Directors, employees and vendors of the Company can report their concerns on unethical and improper behavior, practices, actual or suspected fraud or violation of the Company's Code of Conduct or any other wrongful conduct in the Company or of its employees. None of the personnel has been denied access to the Audit Committee.

D. Mandatory Requirements

The Company is in compliance with the mandatory requirements.

E. Non-Mandatory Requirements

The Company has a record of unqualified financial statements from inception.

During the year, Auditors have had separate discussions with the Audit Committee without the presence of the Management team.

The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer. Mr Rangachary N is the Chairman of the Board and Mr Bhaskar S is the Executive Director & Chief Executive Officer of the Company.

F. Subsidiary Companies

A policy on material subsidiaries has been formulated and the same is posted on the Company's website, https://www.equitas.in/pdf/EHLPolicyMateriality.pdf. The financial statements of subsidiary companies are tabled at the Board Meeting every quarter.

G. Internal Code for Prevention of Insider Trading

The Board has adopted an internal Code of Conduct for Prevention of Insider Trading in the securities of the Company. The Code inter alia requires pre-clearance from Designated Persons for dealing in the securities of the Company as per the criteria specified therein and prohibits the purchase or sale of securities of the Company while in possession of Unpublished Price Sensitive Information in relation to the Company besides during the period when the trading window is closed.

H. Certification on non-incurrence of disqualification

M/s B Ravi & Associates, Practising Company Secretaries have given a certificate to the Board confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate forms part of this Report.

I. Details of fee remitted to Statutory Auditors

The total fees incurred by the Company and its Subsidiary, ESFBL on a consolidated basis for the services rendered by Statutory auditors for FY 2018-19 is given below:

Particulars	Company (₹ in lakh)	ESFBL (₹ in lakh)
Audit fees	19.20	61.67
Statutory Certificates	2.50	23.50
Other Reporting services	7.80	-
Reimbursement of expenses	0.14	2.14
Audit of Ind AS financials of Subsidiaries for the purpose of consolidation	10.00	-
Network entity (if any)	Nil	

J. Disclosures relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	Details
No. of complaints filed during FY 2018-19	Nil
No. of complaints disposed of during during FY 2018-19	
No. of complaints pending as at the end of FY 2018-19	

8. Compliance

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations and amendments thereto, as applicable, with regard to Corporate Governance.

S R Batliboi & Associates LLP, Statutory Auditors have certified that the Company has complied with the mandatory requirements as stipulated under SEBI Listing Regulations.

9. Compliance Certificate

ED & CEO and CFO have given a certificate to the Board as per Regulation 17 of SEBI Listing Regulations. The said certificate forms part of this Annual Report.

10. Code of Conduct

The Company has laid down a Code of Conduct for the Members of Board of Directors and Senior Management Personnel. The Code of Conduct is available on the website of the Company at https://www.equitas.in/pdf/CodeofConductforDirectors.pdf.

11. Equity Shares in the Demat Suspense Account

In accordance with the requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports that there are no equity shares lying in the demat suspense account which were issued in dematerialized form pursuant to the public issue of the Company.

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the demat suspense account of the Company as on April 1, 2018.	Nil	Nil
Shareholders who approached the Company for transfer of shares from demat suspense account during the year.	Nil	Nil
Shareholders to whom shares were transferred from the demat suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the demat suspense account of the Company as on March 31, 2019	Nil	Nil

12. Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund:

The Company has not declared any dividends from its incorporation. Hence, there is no unclaimed dividend relating to the earlier financial years, which needs to be transferred to the Investors Education and Protection Fund, in terms of Section 125 of the Act.

For and on behalf of the **Board of Directors**

Chennai
May 10, 2019

Bhaskar S
ED & CEO

Rangachary N
Chairman

I confirm that for the Financial Year ended March 31, 2019, Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them.

Chennai
May 10, 2019

Bhaskar S
ED & CEO

Compliance Certificate

The Board of Directors
Equitas Holdings Limited

Madam/Dear Sirs,

This is to certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2019 and that to the best of our knowledge and belief:

    a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent or illegal or violative of Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. There have been no deficiencies in the design or operation of such internal controls.

4. There have not been any:

    a. Significant change in internal control over financial reporting during the year;

    b. Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

    c. Instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You,

Yours Truly,
For **Equitas Holdings Limited**

Bhaskar S	**Srimathy R**
ED& CEO	CFO

Date: May 10, 2019
Place: Chennai

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Based on the scrutiny of relevant records, forms, returns and information provided by EQUITAS HOLDINGS LIMITED (the 'Company'), CIN: L65100TN2007PLC064069, having its registered office at 410A, 4th Floor, Spencer Plaza, Phase II, No.769, Mount Road, Anna Salai, Chennai 600002 and verification of disclosures and declarations given by the Directors under applicable statutes and also based on the verification of facts regarding the Board of Directors of the Company, available in the public domain, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

Place : Chennai
Date : 09.04.2019

Name of Company Secretary in practice: Dr. B Ravi
FCS No.: 1810 CP No.: 3318
Managing Partner
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400

Business Responsibility Report

(Pursuant to Regulation 34 (2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Introduction

Equitas Holdings Limited is a Core Investment Company which carries on business through its subsidiaries viz., Equitas Small Finance Bank Limited (ESFBL) and Equitas Technologies Private Limited (ETPL) (collectively referred as "Equitas Group"). The disclosures in this report are aligned to the Principles of Business Responsibility as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, Government of India. This report provides transparent and relevant information on Equitas Group's efforts and its performance against the nine principles of Business Responsibility.

Section A: General information about the company

1	Corporate Identity Number (CIN) of the Company	L65100TN2007PLC064069
2	Name of the Company	Equitas Holdings Limited
3	Registered address	410A, 4th Floor, Spencer Plaza, Phase II, No.769, Mount Road, Anna Salai, Chennai 600002
4	Website	https://www.equitas.in
5	Email id	secretarial@equitas.in
6	Financial year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	National Industrial Classification 2008 Section K: Financial and Insurance Activities Code: 64200
8	Three key products/services of the Company (as in balance sheet)	Core Investment Company making investments in Subsidiary Companies
9	Number of international locations	Nil
10	Number of National locations	1 (Equitas Group has operations in more than 500 locations across 11 states of the country)
11	Markets served by the Company – Local/State/ National/ International	National

Section B: Financial details of the company

S. No.	Particulars	Details
1.	Paid up capital (₹ in lakh)	₹ 34,146.15
2	Total turnover (₹ in lakh)	₹ 2,251.86
3	Total profit after taxes (₹ in lakh)	₹ 933.76
4	Total spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (%)	3.25%
5	List of activities in which expenditure in 4 above has been incurred	Educational Initiatives carried out through Equitas Development Initiatives Trust (EDIT), a Public Charitable Trust set up by the Company, which runs schools in Seven locations across Tamil Nadu. Details of CSR activities carried out by Equitas Group are discussed under MD&A report, which form part of the Annual Report.

Section C – Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)	Yes. Equitas Group as a whole actively carries out the BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

1. Details of Director(s) responsible for BR

(a) Details of the Director responsible for implementation of the BR policy(ies)

1.	DIN	00010000
2.	Name	Mr Bhaskar S
3.	Designation	ED & CEO

(b) Details of the BR head

1.	DIN (if applicable)	00010000
2.	Name	Mr Bhaskar S
3.	Designation	ED & CEO
4.	Telephone number	+ 91 44 4299 5000
5.	e-mail id	corporate@equitas.in

2. Principle-wise (as per National Voluntary Guidelines) BR Policy(ies)

Equitas Holdings Limited is a Core Investment Company which carries on the business through its Subsidiaries viz., ESFBL and ETPL. Therefore, the following sections capture BR compliances at the Group level

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy(ies) for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international Standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online	All Policies which are statutorily required to be displayed on the website are available on www.equitas.in under Policies section. (URL link: https://www.equitas.in/polices.php)								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Communication on policies covering all internal and external stakeholders is an on-going process.								
8	Does the Company have in-house structure to implement the policy(ies)	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy(ies) to address stakeholders' grievances related to the policy(ies)	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of these policies by an internal or external agency?	The Heads of Departments are responsible for effective implementation of the Policies. The Compliance Department of ESFBL monitors the adherence to implementation of policies mandated by RBI.								

* All Policies have been formulated after detailed deliberations on best practices adopted by banks and financial institutions and customized as per our requirements.

P1 Code of Conduct adopted for employees, Directors and senior management and Whistle Blower Policy ensure conducting of business with Ethics, Transparency and Accountability.

P2 Fair Practices Code promote responsible lending and banking practices. It ensures guard against over-leveraging to ensure sustainability, throughout the life cycle of the customer.

P3 Policy on Prevention of Sexual Harassment and Whistle Blower Policy, endeavors to maintain an organization wide environment of care, concern, nurturing and to provide an opportunity to women employees to accomplish their professional aspirations. These Policies can be viewed online at www.equitas.in under the Policies section.

P4 The interests of the marginalised and vulnerable stakeholders are addressed through Priority Sector Lending and Financial Inclusion. The Fair Practices Code protects the interests of customers who are primarily from the vulnerable sections of the society. Corporate Social Responsibility [CSR] Policy seeks to engage with client communities through community development initiatives and improve their life and life style on a holistic basis. This Policy can be viewed online at www.equitas.in under Policies section.

P5 Code of Conduct for employees lays down acceptable employee behavior while dealing with clients on various aspects, including human rights.

P6 Policy on Environmental and Social Safeguards framework for Micro & Small Enterprises ensures integration of environmental and social safeguards into the appraisal process of loan applications for micro & small enterprises.

P7 While there is no specific policy outlined in respect of this Principle, Equitas Group, through various trade bodies and associations, puts forth

a number of suggestions with respect to the financial services sector.

P8 The very idea behind differentiated licensing of Small Finance Banks is to further the agenda of financial inclusion and bring about equitable development. Hence, the entire operations of the Company's Subsidiary, ESFBL, are aligned towards this commitment. Further, in accordance with the Corporate Social Responsibility Policy, Equitas Group carries out various social initiatives to promote equitable development amongst its client communities.

P9 Equitas Group has undertaken wide range of social initiatives under Corporate Social Responsibility Policy to improve the quality of life of its client communities. Details of the same are given in the MD&A Report, which forms part of the Annual Report. ESFBL has a Board approved Customer Grievance Redressal Policy for expeditious redressal of customer grievances.

Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company (Within 3 months, 3-6 months, Annually, More than 1 year).	The performance on aspects of BR is reviewed by CEO on a periodic basis i.e., at least once a year.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Business Responsibility Report forms part of the Annual Report. The same can be viewed at https://www.equitas.in/annual-reports.php)

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

Equitas Group has put in place a Code of Conduct which covers all its employees. The Code articulates the ethical principles and acceptable behavior that the employees are expected to demonstrate throughout their tenure as employees of the organization. It also guides all employees to uphold the values of Equitas Group. The Code covers aspects related but not limited to ethics, accountability, conflict of interest, bribery and corruption. Equitas Group has also adopted Code of Conduct for Directors & Senior Management to provide a framework to the Board members and Senior Management in ensuring adoption of highest ethical standards in managing the affairs of the Group. The Group's commitment to ethics and accountability is emphasised upon in all interaction with the stakeholders, right from the time of association with the Group.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? if so, provide details thereof, in about 50 words or so.**

Equitas Group has established various channels of communication, including grievance redressal mechanisms, for stakeholders to communicate their expectations and concerns. The details of the stakeholder complaints are as below:

Particulars	Complaints received during 2018-19	% of complaints resolved
Customer complaints	4,942	99.85%
Investor complaints	5	100.00%

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Bank believes that it has a critical role to carry out in furthering financial inclusion in the nation to accomplish inclusive growth and equitable development. Towards this end, the Bank caters to those do not have access to formal financial system by offering loan products such as Micro Finance Loan, Vehicle Finance, Housing Finance, Micro and Small Enterprises Loan Business Loan - Unsecured, MSE and Financial Intermediaries etc. Along these lines, we are actively involved in financial inclusion. The Bank principally deals with financially vulnerable sections of the society and hence it is even more critical to be mindful and responsible in lending to guard the borrowers from getting over leveraged. The Bank carries out due diligence to ascertain the repayment capacity of the borrowers before lending.

Micro Finance: Micro lending is targeted at women who belong to the economically weaker sections of the society (with household income less than ₹ 1.6 lakh per annum). Most of these loans are for income generation purposes, which provide assistance to our customers to increase their household income, develop financial independence over time and for most of our customers, an opportunity to become part of the formal financial system. All of our customers are included in the Credit Bureau database thereby ensuring their inclusion into the formal economy.

Vehicle Finance: These loans are provided predominantly to first time entrepreneurs in the commercial logistics service industry, who have the expertise but lack capital to own a commercial vehicle of their own. This loan provides them with

the opportunity to own their business and improve or develop their socio-economic standing.

MSE and Financial Intermediaries: The Bank provides capital in the form of term loans to enterprises which are small and have turnover in the range of ₹ 1 – 10 crore. The loan sizes typically vary between ₹ 10 – 100 lakh.

Housing Finance: The Bank supports the aspiration of owning a house for a large segment of low-income families by focusing on affordable housing. The Bank also offers the benefits accruing under Pradhan Mantri Awas Yojana to deserving beneficiaries from economically weaker sections and low-income groups.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Bank consciously endeavors to reduce the use of paper. Towards this end, tab-based loan processing is being used in micro finance lending. Similarly, initiatives are also being implemented in other segments as well.

   The account holders of the Bank are advised to embrace paper-free banking practices like e-mail account statements, internet banking, mobile banking, e-Wallet, Electronic Toll Collection and other such activities.

   We pursue other sustainable practices to reduce our impact on the environment and promote efficient consumption of resources viz. Heating, Ventilation and Air Conditioning (HVAC) run time observing, installation of CFL and other low energy consuming office gear, limited printer and copier utilization.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? also, provide details thereof, in about 50 words or so.**
   As a responsible corporate citizen, Equitas Group endeavors to reduce the environmental impact of its operations. The Bank has made conscious efforts to reduce the usage of paper through various digital initiatives, some of which have been outlined elsewhere in this document.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? if yes, what steps have been taken to improve their capacity and capability of local and small vendors?**
   The business of Equitas Group is service oriented and not material resource intensive. The human resource and other services required for our day to day activities are by and large sourced within the neighborhood to the extent feasible.

   A significant number of the financial products offered by the Bank are utilized for empowering business enterprise, innovation and capacity building among the financially vulnerable segments of the society. It empowers them to scale up business activities. In the long-run, this prompts better financial prospects for local businesses, which are clients of the Bank. The improved business environment indirectly benefits other local businesses, which are not clients.

   The Bank has set up Business Correspondents (BCs) channel of banking, which aims to empower local business owners, usually micro-businesses, to act as centers of banking.

5. **Does the company have a mechanism to recycle products and waste? if yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). also, provide details thereof, in about 50 words or so.**
   Our operational practices are engaged to constantly reduce utilization of paper and dynamic measures are being implemented across different processes (Refer to Principle 2: Question 2) to facilitate the same. Our digital banking and other related activities additionally endeavor to meet sustainability objectives of waste reduction and more efficient resource utilisation. On this front, we have accomplished 56% customer digital penetration, which significantly reduces consumption of paper and other unsustainable resources.

Principle 3 – Businesses should promote the well-being of all employees

1	Total number of Employees	14,662
2	Total number of employees hired on contractual basis	23
3	Number of permanent women employees	1,551
4	Number of permanent employees with disabilities	86
5	Is there an employee association that is recognized by management	Equitas Group engages with employees through various fora to obtain constructive feedback. Regular Audio bridges are conducted offering an opportunity for all employees to directly express their views, ideas and feedback to the top management.

6	Percentage of your permanent employees who are members of this recognized employee association	While there is a structured employee grievance redressal mechanism in place, employees are also encouraged to directly approach CEO and Audit Committee in case of serious grievances or unethical practices. Equitas Group engages with employees through various fora to obtain constructive feedback.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual Harassment	4	Nil
3	Discriminatory Employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
All employees are given periodical training on precautions and procedures to be followed in cases of emergencies such as fire, earthquake and other natural calamities.

In respect of skill training, Equitas Group has institutionalized learning and development process to create right competencies across various levels and help in career progression of employees. The key focus during the year has been on imparting functional and technical training to the employees. A development program for Managers titled "Managing Business Through the Sales Team" was conducted across the zones for the Asset and Liability Sales divisions. Extensive training was imparted through the e-learning platform and learning days allocated for the same every month. A customized induction program to provide comprehensive training on functional aspects was developed for branch banking roles. An in-house lab is being set up for effective hands-on training in banking software.

The details of employees who underwent skill up-gradation training during FY 2018-19 are as follows:

Permanent Employees	42%
Permanent Women Employees	49%
Contractual Employees	20%
Employees with Disabilities	Nil

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?**
Equitas Group engages with multiple stakeholders through formal and informal channels of communication. The key stakeholder groups are identified as follows:

i) Customers
ii) Employees
iii) Investors
iv) Vendors / Service Providers
v) Regulators
vi) Community

Equitas Group constantly strives to keep the channels of communication open and transparent with all its stakeholders, with a view to maximizing stakeholder satisfaction and value creation.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
Equitas Group engages with vulnerable and marginalised sections of society through its loan products, employment practices, community engagement initiatives and technology-enabled services. Through the Rural and Inclusive banking activities, the Bank engages with economically excluded sections of the society to create financial literacy and further the agenda of financial inclusion through specialised products.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? if so, provide details thereof, in about 50 words or so.**
Equitas Group directly or through its implementing agency, Equitas Development Initiatives Trust (EDIT) engages with stakeholders such as women, people with disabilities, unemployed youth and pavement dwellers to create a positive impact through community development initiatives.

EDIT runs seven schools primarily for socially and economically weaker sections of society. These schools provide affordable schooling to students belonging to economically weak backgrounds, with an emphasis on the quality of the education imparted. More than 5,000 students have benefitted from these schools.

EDIT has empowered around half a million women by imparting training in vocational skills such as tailoring, doll making and artificial jewellery making.

EDIT actively conducts job fairs across India for unemployed youth of low income communities, thereby providing gainful employment. The recruitment and employment practices of Equitas Group are also attuned towards talent spotting and acquisition from among marginalized sections of the society.

EDIT also provides access to affordable healthcare through various medical initiatives and medical camps.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**
   Equitas Group is committed to upholding the dignity of every individual engaged or associated with the Group. A strong commitment to human rights is embedded in the Fair Practices Code as well as Employee Code of Conduct which lays down acceptable behaviour on various aspects including human rights. All employees who have direct interface to customers including collection staff are trained to be polite and courteous to customers under all circumstances. This code is applicable for all employees, associates, business partners and Group companies with utmost importance placed on fairness and transparency.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   Kindly refer to response to Principle 1 – Question 2.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the group/Joint Ventures/Suppliers/ Contractors/NGOs/Others**
   Equitas Group recognizes the need to respect, protect and make efforts to restore the environment in all its activities. Some of the initiatives taken in this regard have been outlined under Principle 2 – Question 2.

   The Group also endeavors to promote sound environmental, social and governance standards (ESG). The Bank has a Policy on Environmental and Social Safeguards framework for Micro & Small Enterprises, integrating environmental and social safeguards into the appraisal process of loan applications for micro & small enterprises.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**
   In regard of its activities, Equitas Group focuses on decreasing the utilization of paper to lessen the carbon footprint. Towards this end, the Bank has embarked its digital footprint over its products offerings and has been a consistent leader across Small Finance Banks. Our focus is to empower clients with ease of access and to transact efficiently and effectively using our variety of Digital offerings, along these lines lessening the dependence on paper-based banking activities. The operations of ETPL are carried out by utilizing mobile and online applications. A number of new activities and products are through digital channels.

   We have made extensive progress in this strategy by accomplishing about 56% digital penetration among our clients. We give an assortment of digital offerings - Internet and Mobile banking, Electronic toll collection, Digital Savings account opening, Virtual Debit card, digital fund transfers etc.

   Our efficient operational practices, digital banking and environment management practices help us reduce our environmental footprint and help us achieve environmentally sustainable business practices.

3. **Does the company identify and assess potential environmental risks?**
   Equitas Group is aware of the potential environmental risks. We have also integrated environmental and social safeguards into the loan appraisal process.

4. **Does the company have any project related to clean development Mechanism?**
   If so, provide details thereof, in about 50 words or so. Also, whether any environmental compliance report is filed?

   As detailed under Points 1-3 above, Equitas Group, through its initiatives, is aware of the importance of safeguarding the environment. As on date, the Group did not carry out any project related to the Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc. If yes, please give hyperlink for web page etc.**
   As explained above, Equitas Group focuses on reducing the usage of paper and provides alternate banking channels like internet banking, mobile

banking, ATMs, Tab-based account opening, online & mobile account opening etc.

Focus is placed on energy efficiency, through practices including installation of CFL & LED light fixtures and installation of similar energy efficient office equipment. We also aim to leverage digital banking and digital business initiatives to reduce environmental impact related to usage of paper and reducing the need for travel by customers to bank branches.

The Group also has implemented paperless recruitment process from application by the candidate to offer letter generation. This has reduced the need for travel by recruitment executives and candidates. This also reduces paper and printer usage during the recruitment process.

6. **Are the emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
The operations of Equitas Group do not result in any significant environmental or pollution related issues.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
The operations of Equitas Group do not result in any significant environmental or pollution related issues. No notices were received by the Group as on March 31, 2019.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? if Yes, name only those major ones that your business deals with:**
Some of the key trade and industry associations where the Group is represented, include:

   i. Indian Banks' Association (IBA)

   ii. Fixed Income Money Market and Derivatives Association (FIMMDA)

   iii. SaDhan – The Association of Community Development Finance Institutions

   iv. Association of Mutual Funds in India (AMFI)

   v. Confederation of Indian Industry (CII)

   vi. The Indus Entrepreneurs (TiE)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? if yes, specify the broad areas (governance and administration, economic Reforms, inclusive development Policies, energy security, Water, Food security, sustainable Business Principles, others)**
Through various industry associations and in various forums, Equitas has promoted various social and welfare initiatives like responsible lending, financial literacy, creation of a more transparent financial system, ease of credit access to the underbanked/ unbanked, operational ease of providing loans to economically excluded sections of the economy, etc.

Principle 8: Businesses should support inclusive growth and equitable development

The main focus of Equitas Group is inclusive growth and equitable development. The word "Equitas" is a Latin word meaning justice, fairness and equity. Towards this end, we wish to state that the very idea behind differentiated licensing of Small Finance Banks is to further the agenda of financial inclusion and bring about equitable development. Hence, the operations of ESFBL are primarily directed towards inclusive growth and equitable development.

1. **Does the company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.**
The focus of Equitas Group is to improve the quality of life of customers by increasing their total household asset value. Customers, who have not been able to access formal financing, are provided transparent and trustworthy access to financing. The Group has also developed a wide range of social initiatives towards improving the quality of life of its client communities. As a Bank, we have been able to enhance our association with the financially excluded section of the society. We not only offer credit, which is typically of a short-term nature but also liabilities products like deposits, insurance etc.

   Equitas Group also undertakes various activities through the Equitas Development Initiatives Trust (EDIT) which support inclusive growth and equitable development. These CSR initiatives include providing high quality affordable education to students belonging to economically weaker sections, providing vocational skills to the unemployed to include them in the formal economy, providing free healthcare etc. Details of such activities are explained in other sections of this report.

2. **Are the programmes / projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**
Inclusive growth and equitable development is provided to customers through our banking activities, especially through the financing activities of the Inclusive Banking division and Emerging Enterprise Banking division of the Bank.

   CSR programmes are undertaken by Equitas Group, directly as well as through implementing agency, Equitas Development Initiatives Trust, a registered

public charitable trust. CSR initiatives carried out by Equitas Group are detailed in the MD & A Report, which forms part of the Annual Report.

3. **Have you done any impact assessment of your initiative?**
The impact of business model and operations of Equitas Group on governance, workers, community and environment aspects, was carried out by Global Impact Investing Rating System (GIIRS), in September 2017. The business model of Equitas was granted "Platinum Rating" (on a scale of Bronze to Platinum), which is the highest rating under the framework. Equitas was also granted "Five Stars" rating (on a scale of one to five stars) on operations.

4. **What is your company's direct contribution to community development projects - amount in INR and the details of the projects undertaken?**
The details of the contribution towards CSR initiatives are available in CSR Report forming part of Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
CSR initiatives are reviewed by Board-level CSR Committee of the respective entities, on a periodic basis. The Group closely tracks not only the number of beneficiaries but also qualitative improvement in the lives of beneficiaries. The educational initiatives undertaken through implementing agency, EDIT creates enduring value for the beneficiaries by empowering people to rise above their existing socio-economic constraints. The Schools run by EDIT cater predominantly to people from the lower income group. The children studying in these schools develop English speaking skills apart from their academic pursuits, where they are continuing to do well. This apart, they also develop life skills and get their personality shaped which would go a long way in changing the future outlook of their life. The Bank is also involved in a pavement dwellers uplifting program, called Equitas Bird's Nest (EBN). Through this program, more than 160 platform dwelling families were provided formal housing in FY18. EBN also conducts health care initiatives, vocational skills training programs, provides educational assistance & scholarships and micro-credit facilitation as required by the rehabilitated families.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
0.15% of the customer complaints are pending as at the end of the Financial Year 2018-19. All the pending complaints have since been resolved within the prescribed timelines.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**
The Group endeavors to provide transparent information on its products through its website which has detailed information on product features, service charges and fees applicable. In respect of the Bank, interest rates for various deposit schemes are published on the website. SMS alerts are sent to customers when charges or fees get triggered or levied in their deposit accounts.

   As an NBFC-MFI, Equitas was the pioneer in disclosing the interest rates on reducing balance basis in the customer passbook, which later became a regulatory norm for the industry.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
Nil

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**
Equitas Group has an active customer service department, which ensures that continuous steps are taken to ensure customer satisfaction in all their dealings with the Group. ESFBL is planning to conduct Depositors Satisfaction survey during the Financial Year 2019-20.

For and on behalf of the **Board of Directors**

Place : Chennai	**Bhaskar S**	**Rangachary N**
Date : 10.05.2019	ED & CEO	Chairman

Independent Auditor's Report

To the Members of Equitas Holdings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Equitas Holdings Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company 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 financial statements under the provisions of the Act and the Rules thereunder, 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 on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of Impairment of Investment in Equitas Technologies India Private Limited, a subsidiary Company	
The Company's investments are subject to assessment of impairment, which process involves significant judgments and assessments, including over determination of the amount of impairment provision, if any, that needs to be recognised. As at March 31, 2019, the financial statements of Equitas Technologies India Private Limited ('ETPL'), a subsidiary company indicates risk of impairment. The Company has made investments of ₹ 2,000 lakh (2018 ₹ 2,000 lakh) in ETPL. In testing for impairment, the Company estimates the value in use of its cash generating units based on: - Revenue and cost forecasts, which are affected by ETPL's expansion plans, business and strategic changes underway and the changing competitive environment; and - Key assumptions used in the recoverability and valuation assessments (discount rates, growth rates, macroeconomic assumptions, etc.)	In respect of investments in ETPL, where the management determined that there were indicators of impairment, we performed the following procedures: • We gained an understanding of the entity's process of assessing impairment of its investments. • We tested controls over the value in use of the investment, including the significant assumptions, inputs, calculations, methodologies and judgements. • We tested the key assumptions used in forecasting revenues and costs, having regard to supporting documentation, agreements, and past experience,. • We compared the discount rates and long-term growth rates used by management, with external market data.. • We assessed, understood, and tested where relevant, the method followed by EHL to determine realisable value for valuation of the subsidiary, including method of valuations used to assess impairment, input data used, external market information on market valuation, comparable transactions in market space etc. • We read and assessed minutes of management internal meetings and presentations where key judgements were discussed, including those used in the value in use model and the carrying value of deferred tax assets.

Key audit matters	How our audit addressed the key audit matter
Due to significance of judgements and estimate used in assessing the impairment provision, this audit areas is considered a key audit risk	• We read and assessed Board and Audit Committee minutes to assess the effectiveness of management's review process and the appropriateness of the conclusions reached.
Impairment for Financial Instruments based on expected credit loss model	
The Company provides various loans and guarantees to group companies and trusts as part of its operations. The Company has in the past not recovered / provided for / written of the exposure to group companies / trusts. As per the expected credit loss model prescribed under Ind-AS 109, companies are required to estimate the probability of loss / expected loss based on past experience and future considerations. There is a risk that inappropriate impairment provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying loans and advances into various stages stipulated in Ind-AS 109 and determining related provision requirements, this audit area is considered a key audit risk. As at March 31, 2019, the Company's gross advance and non funded exposures amounted to ₹ 3.07 crore (Previous year ₹ 130.00 crore) and the related impairment provisions / write off amounted to ₹ Nil (Previous year ₹ 1.31 crore). The impairment provision policy is presented in the accounting policies, and in Note 3.5 to the financial statements.	• We gained an understanding of the Company's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes • We read the Company's Ind-AS 109 impairment provisioning policy and compared it with the requirements of Ind-AS 109 as well as relevant regulatory guidelines and pronouncements • We obtained an understanding of the Company's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management • We tested on a sample basis, the Exposure at Default used in the ECL calculation • Obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults and the loss given defaults for various homogenous segments and verified the same on a test basis; • We enquired with the management regarding significant judgments and estimates involved in the impairment computation and evaluated the reasonability of such estimates made in accordance with Ind AS 109; and • We performed analytical reviews of disaggregated data to identify any unusual trends warranting additional audit procedures

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 management.

- Conclude on the appropriateness of management'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place of Signature: Chennai
Date: May 10, 2019

Annexure 1 to the independent auditor's report of even date on the financial statements of Equitas Holdings Limited (the 'Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment's.

(b) Property, plant and equipment's have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(a) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment are regular.

(b) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to wealth tax, duty of custom and Duty of excise is not applicable the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales tax, service tax, value added tax, goods and services tax, cess and other material statutory dues applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income tax and cess on account of any dispute as at March 31, 2019 are as follows:

Name of the statute	Nature of dues	Amount Involved (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of Securitisation Income	852.07	AY 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance of Securitisation Income	188.42	AY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Disallowance under Section 14A	26.88	AY 2014-15	Commissioner of Income Tax (Appeals)

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or government or dues to debenture holders during the year

(ix) According to the information and the explanation given by the management, the Company has not raised any money by way of initial public offer/ further public offer /debt instruments and term loans, hence reporting under (ix) of the Order is not applicable to the Company

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place of Signature: Chennai
Date: May 10, 2019

Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of Equitas Holdings Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Equitas Holdings Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls [based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place of Signature: Chennai
Date: May 10, 2019

Standalone Balance Sheet

as at 31st March, 2019

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Assets				
Financial assets				
Cash and cash equivalents	5	**405.23**	351.83	65.44
Bank balance other than cash and cash equivalents	6	**17,403.44**	4,895.00	4,425.34
Loans	7	**-**	12,153.89	12,153.89
Other Financial Assets	8	**444.27**	43.47	479.17
Investment in subsidiaries	9	**156,187.00**	155,392.50	152,007.33
Non-financial assets				
Current tax asset (Net)		**3,892.01**	3,880.03	3,584.11
Deferred tax asset	23.2	**-**	30.81	47.65
Other non-financial assets	10	**4.17**	3.42	3.66
Property, plant and equipment	11	**2.04**	11.60	17.70
Capital work in Progress	11	**-**	106.77	10.06
Intangible assets	11	**0.09**	0.66	1.42
Investment Properties	11a	**5,449.93**	4,800.38	3,925.56
Total Assets		**183,788.18**	**181,670.36**	**176,721.33**
Liabilities and equity				
Financial liabilities				
Trade Payables				
Total outstanding dues of creditors other than micro enterprises and small enterprises		**6.00**	20.06	44.54
Other financial liabilities	12	**369.92**	911.81	1,310.80
Non-financial liabilities				
Current tax liabilities (Net)		**3,164.91**	3,236.49	3,236.49
Other Non-financial liabilities	13	**5.27**	5.99	11.74
Provisions	14	**43.84**	83.08	118.22
Deferred tax liabilities	23.2	**42.08**	-	-
Total liabilities		**3,632.02**	**4,257.43**	**4,721.79**
Equity				
Equity Share capital	15	**34,146.15**	34,043.00	33,781.37
Other Equity	16	**146,010.01**	143,369.93	138,218.17
Total equity		**180,156.16**	**177,412.93**	**171,999.54**
Total liabilities and equity		**183,788.18**	**181,670.36**	**176,721.33**
Summary of significant accounting policies	3			

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date
For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : 10 May 2019

For and on behalf of Board of Directors of
Equitas Holdings Limited

N Rangachary
Chairman
DIN:00054437

S Bhaskar
ED and CEO
DIN:00010000

S Viswanatha Prasad
Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place : Chennai
Date : 10 May 2019

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Note No.	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Revenue from operations			
Interest income	17	**1,389.02**	1,357.21
Rental income	18	**215.43**	-
Guarantee Income	18	**461.21**	647.35
Total revenue from operations		**2,065.66**	**2,004.56**
Other income	19	**186.20**	-
Total income		**2,251.86**	**2,004.56**
Expenses			
Impairment of Financial Instruments	20	**418.11**	-40.27
Employee benefits expenses	21	**113.34**	141.09
Depreciation, amortisation and impairment	11	**84.35**	69.72
Others expenses	22	**364.14**	448.05
Total Expense		**979.94**	**618.59**
Profit before tax		**1,271.92**	**1,385.97**
Tax Expenses			
Current tax (MAT Payable)	23	**350.67**	313.31
Less: MAT credit entitlement		**-84.67**	-
Net current tax expense		**266.00**	313.31
Deferred tax (Net)	23	**72.68**	16.16
Total tax expenses		**338.68**	**329.47**
Profit for the year (a)		**933.24**	**1,056.50**
Other Comprehensive Income:			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit obligations (net)		**0.73**	2.34
Income tax effect on the above		**-0.21**	-0.68
Total Other comprehensive Income (b)		**0.52**	**1.66**
Total comprehensive Income for the year, net of tax (a + b)		**933.76**	**1,058.16**
Earnings per equity share			
Basic earnings per equity share	24	**0.27**	0.31
Diluted earnings per equity share	24	**0.27**	0.31
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : 10 May 2019

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Company Secretary
A35488

Place : Chennai
Date : 10 May 2019

Cashflow Statement

for the year ended March 31, 2019

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flow From Operating Activities		
Profit before tax	**1,271.92**	1,385.97
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	**84.35**	69.72
Unwinding of interest cost on financial guarantee obligation	**122.99**	185.69
Guarantee income	**-461.21**	-647.35
Liabilities no longer required written back	**-184.55**	-
Rental Income	**-215.43**	-
Impairment on Financial Instrument	**418.11**	-40.27
Re-measurement gains/(losses) on defined benefit obligations (net)	**0.73**	2.34
Loss on sale of property, plant and equipment	**0.10**	-
Employee expenses on share based payments	**0.49**	4.36
Operating profit before working capital changes	**1,037.50**	960.46
(Increase)/decrease in loans and advances	**12,170.00**	-
(Increase)/decrease in other financial assets	**-185.36**	435.69
(Increase)/decrease in other non-financial assets	**-0.75**	0.24
Redemption / (Investment) in fixed deposits (net)	**-12,508.44**	-469.66
Increase/(decrease) in provisions	**-5.46**	5.12
Increase/(decrease) in financial liabilities	**11.80**	-20.49
Increase/(decrease) in non-financial liabilities	**-0.73**	-5.75
Cash used in operations	**518.56**	**905.61**
Direct taxes paid	**-349.56**	-609.23
Net Cash flow from/(used in) operating activities (A)	**169.00**	296.38
B. Cash Flow From Investing Activities		
Addition to property, plant and equipment	**-666.45**	-975.69
Investment in subsidiary	**-**	-500.00
Proceeds from sale of property, plant and equipment	**3.89**	-
Net Cash flow from/(used in) Investing Activities (B)	**-662.56**	**-1,475.69**
C. Cash Flow From Financing Activities		
Proceeds from fresh issue of equity share capital, including securities premium	**518.12**	1,399.03
Share application money received	**28.84**	66.67
Net Cash flow from/(used in) Financing Activities (C)	**546.96**	**1,465.70**
Net Increase/Decrease in cash and cash equivalent D = (A+B+C)	**53.40**	**286.39**
Cash and Cash Equivalents - Opening Balance (E)	**351.83**	65.44
Cash and Cash Equivalents - Closing Balance (D) + (E)	**405.23**	**351.83**
Net cash provided by / (used in) operating activities includes		
Interest received	**1,215.49**	1,350.39
Components of Cash and Cash Equivalents at the end of the year		
Current account with Banks	**160.23**	351.83
Short term deposits	**245.00**	-
Cash on Hand	**-**	-
Total Cash and Cash Equivalents	**405.23**	**351.83**

The accompanying notes form an integral part of the Financial Statements

As per our report of even date
For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : 10 May 2019

For and on behalf of Board of Directors of
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Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place : Chennai
Date : 10 May 2019

Standalone Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

(a) Equity share capital

Particulars	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Opening balance as on 1st April 2017	**337,813,746**	**33,781.37**
Add: Shares issued during 2017-18	2,616,230	261.62
Balance as on 31st March 2018	**340,429,976**	**34,043.00**
Add: Shares issued during 2018-19	1,031,522	103.15
Balance as on 31st March 2019	**341,461,498**	**34,146.15**

(b) Other equity

Particulars	Reserves and Surplus				Share application money	Items of Other Comprehensive Income (OCI)	Total other equity
	Securities premium	Statutory Reserves	Retained Earnings	Share Based Payment Reserve		FVTOCI Reserve	
As at April 01, 2017	**128,072.09**	**1,300.39**	**5,704.79**	**3,102.24**	**26.90**	**11.76**	**138,218.17**
Add: Profit for the year	-	-	1,056.50	-	-	-	1,056.50
Items of Other Comprehensive Income (OCI)	-	-	-	-	-	1.66	1.66
Sub Total	**128,072.09**	**1,300.39**	**6,761.29**	**3,102.24**	**26.90**	**13.42**	**139,276.33**
Transfer from retained earnings to Statutory Reserves	-	108.70	-108.70	-	-	-	-
Premium on issue of share capital under ESOP Scheme	1,514.97	-	-	-	-1,425.93	-	89.04
Share application money received	-	-	-	-	1,465.70	-	1,465.70
Addition on account of ESOP cost	-	-	-	2,889.52	-	-	2,889.52
Transfer of ESOP cost to retained earnings upon lapse of options	-	-	1,152.01	-1,152.01	-	-	-
Transfer of ESOP cost to securities premium upon exercise	-	-	-	-350.66	-	-	-350.66
As at March 31, 2018	**129,587.06**	**1,409.09**	**7,804.60**	**4,489.09**	**66.67**	**13.42**	**143,369.93**
Add: Profit for the year	-	-	933.24	-	-	-	933.24
Items of Other Comprehensive Income (OCI)	-	-	-	-	-	0.52	0.52
Sub Total	**129,587.06**	**1,409.09**	**8,737.84**	**4,489.09**	**66.67**	**13.94**	**144,303.69**
Transfer from retained earnings to Statutory Reserves	-	186.65	-186.65	-	-	-	-
Premium on issue of share capital under ESOP Scheme	625.85	-	-	-	-584.79	-	41.06
Share application money received	-	-	-	-	546.96	-	546.96
Addition on account of ESOP cost	-	-	-	1,262.51	-	-	1,262.51
Transfer of ESOP cost to retained earnings upon lapse of options	-	-	1,794.59	-1,794.59	-	-	-
Transfer of ESOP cost to securities premium upon exercise	-	-	-	-144.21			-144.21
As at March 31, 2019	**130,212.91**	**1,595.74**	**10,345.78**	**3,812.80**	**28.84**	**13.94**	**146,010.01**

The accompanying notes form an integral part of the Financial Statements

As per our report of even date
For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : 10 May 2019

For and on behalf of Board of Directors of
Equitas Holdings Limited

N Rangachary
Chairman
DIN:00054437

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ED and CEO
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S Viswanatha Prasad
Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place : Chennai
Date : 10 May 2019

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

1 Corporate information

Equitas Holdings Limited ("the Company" / "EHL") was incorporated on June 22, 2007. The Company is a public limited Company incorporated under the provisions of Companies Act 1956. The registered office of the Company is located at 410A, 4th Floor, Spencer Plaza, Phase II, Anna Salai, Chennai – 600 002. The Company received certificate of registration dated September 1, 2016 as a non-deposit taking Systemically Important Core Investment Company (CIC-ND-SI), from the Reserve Bank of India ("RBI") to carry on the business as a Non-Banking Financial Institution.

The Company is the holding Company of its wholly owned subsidiaries Equitas Small Finance Bank Limited and Equitas Technologies Private Limited (collectively, the 'Group').

2 Basis of preparation

The standalone financial statements of the Company have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These standalone financial statements for the year ended March 31, 2019 are the first the Company has prepared in accordance with Ind AS.

The Standalone financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income ('FVTOCI') instruments, all of which have been measured at fair value.

The Standalone financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except when otherwise indicated.

The regulatory disclosures as required by Master Directions for Non-Banking Financial Company – Systematically Important Non-Deposit taking Company Directions, 2016 issued by the RBI ('RBI Master Directions') to be included as a part of the Notes to Accounts are not prepared as per the Ind AS financial statements. Note 41 to the standalone financial statements provides the basis of preparation of such regulatory disclosures included therein.

2.1 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 29.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business, event of default or insolvency or bankruptcy of the Company and/or its counterparties.

3 Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit and Loss ('FVTPL'), transaction costs are added to, or subtracted from, this amount.

3.1.3 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either Amortised Cost, FVOCI or FVTPL

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or FVTPL when fair value designation is applied.

3.2 Financial assets and liabilities

3.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

3.2.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.2.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3.2.2 Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

3.2.3 Equity instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Other Income' in the Statement of Profit and Loss.

3.2.4 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

3.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.4 Derecognition of financial assets and liabilities

3.4.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Company considers the following factors:

- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

3.4.2 Derecognition of financial assets other than due to substantial modification

3.4.2.1 Financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either:, the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset previously under amortised cost category.

3.4.3 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL)).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

3.5.2 The calculation of ECL

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.5.3 Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments.

3.6 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has determined that recovery is remote. If the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write off. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

3.7 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 financial instruments–** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- **Level 2 financial instruments–** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

- **Level 3 financial instruments–** Those that include one or more unobservable input that is significant to the measurement as whole. Recognition of interest income

3.8 Recognition of interest income

3.8.1 The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

3.8.2 Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

3.9 Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

3.9.1 Dividend Income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

3.10 Leasing

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to April 1, 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

3.10.1 Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

3.11 Cash and cash equivalents

Cash and cash equivalents comprises of Cash in Hand, demand deposits with other banks and Balances with RBI and Balances with Banks and Money at Call and Short Notice.

Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.12 Investment Properties

Investment property represents property held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on building classified as investment property has been provided on the straight-line method over a period of 50 years based on the Company's estimate of their useful lives taking into consideration technical factors, which is the same as the period prescribed in Schedule II to the Companies Act 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an external independent valuer applying valuation models.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition. Property, plant and equipment

3.13 Property, plant and equipment

Property, plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method as per the useful life prescribed in Schedule II to Companies Act, 2013 except in respect of

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

the following categories of assets, in whose case the life of the assets has been assessed as per the table below, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.

Asset	Estimated useful life as assessed by the Company	Estimated useful life specified under Schedule II of the Companies Act 2013
Office Equipment	3 Years	5 Years
Computer Equipment	3 Years	3 years
Furniture and Fixtures	3 Years	10 years
Vehicles	4 Years	8 Years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.14 Impairment of non–financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.15 Financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

and loss in credit loss expense. The premium is recognised in the statement of profit and loss in net fees and commission income on a straight-line basis over the life of the guarantee.

3.16 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

3.17 Share based payments

Employee stock compensation cost for stock options is recognised as per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India and IND AS 102. The Company measures compensation cost relating to the employee stock options (equity settled) using the fair value method. The compensation cost, if any, is amortised uniformly over the vesting period of the options. The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred at the time of grant. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

3.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.19 Taxes

3.19.1. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.19.2. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.19.3 Goods and services tax / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

the carrying amount of the assets distributed is recognised in the statement of profit and loss.

4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements and estimates which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

4.2 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.3 Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses,

Summary of Significant Accounting Policies and Notes forming part of the Standalone Financial Statements for the year ended March 31, 2019

the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4.4 Standard issued but not yet effective

Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company continues to evaluate the available transition methods and its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to the recognition of ROU asset and lease liability and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
5	**Cash and cash equivalents**			
	Balances with bank			
	Current account	**160.23**	351.83	25.44
	In deposits accounts - free of lien (original maturity less than 3 months)	**245.00**	-	40.00
	Total	**405.23**	**351.83**	**65.44**
6	**Bank Balance other than cash and cash equivalents**			
	Fixed deposit with bank - free of lien	**17,403.44**	4,545.00	3,500.00
	Deposits under lien *	**-**	350.00	925.34
	Total	**17,403.44**	**4,895.00**	**4,425.34**
	Fixed deposit earn interest at fixed rate or floating rate based on daily bank deposit rates			
	* The deposits under lien is given for the purpose of overdraft facilities in Equitas Development Initiatives Trust			
7	**Loans (at amortized cost) (unsecured)**			
	Loan to subsidiary (Gross)	**-**	12,170.00	12,170.00
	Less : Impairment loss allowance	**-**	16.11	16.11
	Total - Net	**-**	**12,153.89**	**12,153.89**
8	**Other financial assets (at amortized cost)**			
	Interest Accrued	**203.17**	29.65	22.83
	Security deposit	**12.84**	12.74	309.32
	Advances to suppliers	**-**	-	139.46
	Rent Receivable	**215.43**	-	-
	Other assets	**12.83**	1.08	7.56
	Total	**444.27**	**43.47**	**479.17**
9	**Investment in subsidiaries (at cost)**			
	Unquoted equity shares			
	In India			
	Investment in Equitas Small Finance Bank	**154,655.00**	153,392.50	150,507.33
	1,005,943,363 equity shares of Equitas Small Finance Bank Limited of ₹ 10 each fully paid up (As at 31 March 2018 - 1,005,943,363) (As at March 2017 - 1,005,943,363).			
	Investment in Equitas Technologies Private Limited	**2,000.00**	2,000.00	1,500.00
	20,000,000 equity shares of Equitas Technologies Private Limited of ₹ 10 each fully paid up (As at 31 March 2018 - 20,000,000) (As at 31 March 2017 - 15,000,000)			
	Total - Gross	**156,655.00**	**155,392.50**	**152,007.33**
	Less : Impairment loss allowance	**468.00**	-	-
	Total - Net	**156,187.00**	**155,392.50**	**152,007.33**

9a. The investments in subsidiaries include cost of share based payments amounting to ₹ 7,242.73 lakh (March 31, 2018 – ₹ 5,980.23 lakh, March 31, 2017 – ₹ 3,095.06 lakh) given to the employees of Equitas Small Finance Bank as part of the share based payments schemes. The investments also includes fair value of the corporate guarantee given to Equitas Small Finance Bank amounting to ₹ 2,726.38 lakh (March 31, 2018 – ₹ 2,726.38 lakh, March 31, 2017 – ₹ 2,726.38 lakh).

9b. Impairment loss allowance of ₹ 468 lakh represents impairment on investments made in Equitas Technologies Private Limted.

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

9c. The Board of Directors of the Company have approved a Composite Scheme of arrangement under the provisions of Section 230 read with Section 52 and other applicable provisions of the Companies Act 2013 (the "Proposed Scheme"), between Equitas Holdings Limited, Equitas Small Finance Bank Limited and their respective shareholders, for issuance and allotment of fully paid up equity shares of Equitas Small Finance Bank Limited to the shareholders of Equitas Holdings Limited, and consequent reduction in the securities premium, revenue and other reserves and the surplus in profit and loss account of Equitas Small Finance Bank Limited. The Proposed Scheme is subject to the approval of the Reserve Bank of India, the Securities Exchange Board of India, the respective shareholders and creditors of each of the entities and the National Company Law Tribunal. The appointed date and effective date of the Proposed Scheme are based on the receipt of the aforesaid approvals, pending which no adjustment have been considered in the current financial results in this regard.

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
10	**Other non-financial assets (considered good) (unsecured)**			
	Prepaid expenses	**4.17**	3.42	3.66
	Total	**4.17**	**3.42**	**3.66**

11 Property, plant and equipment

Particulars	Computers	Office equipment	Vehicles	Sub total	Intangible assets - Software	Total	Capital Work in Progress
Gross carrying value:							
At 1st April 2017	**1.14**	**0.26**	**16.30**	**17.70**	**1.42**	**19.12**	**10.06**
Additions	-	-	-	-	0.13	0.13	96.71
Disposals	-	-	-	-	-	-	-
At 1st April 2018	**1.14**	**0.26**	**16.30**	**17.70**	**1.55**	**19.25**	**106.77**
Additions	-	-	-	-	-	-	141.17
Disposals	-	-	-7.77	-7.77	-	-7.77	-247.94
At 31 March 2019	**1.14**	**0.26**	**8.53**	**9.93**	**1.55**	**11.48**	**-**
Depreciation							
At 1st April 2017							
Charge for the year	0.72	0.22	5.16	6.10	0.89	6.99	-
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
At 1st April 2018	**0.72**	**0.22**	**5.16**	**6.10**	**0.89**	**6.99**	**-**
Charge for the year	0.37	0.04	5.16	5.57	0.57	6.14	-
Disposals	-	-	-3.78	-3.78	-	-3.78	-
Other adjustments	-	-	-	-	-	-	-
At 31 March 2019	**1.09**	**0.26**	**6.54**	**7.89**	**1.46**	**9.35**	**-**
Net Block							
At 1 April 2017	**1.14**	**0.26**	**16.30**	**17.70**	**1.42**	**19.12**	**10.06**
At 31 March 2018	**0.42**	**0.04**	**11.14**	**11.60**	**0.66**	**12.26**	**106.77**
At 31 March 2019	**0.05**	**0.00**	**1.99**	**2.04**	**0.09**	**2.13**	**-**
Depreciation charge for the year							
At 31 March 2018	0.72	0.22	5.16	6.10	0.89	6.99	
At 31 March 2019	0.37	0.04	5.16	5.57	0.57	6.14	

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

11a Investment property

Particulars	Land - Freehold	Building	Total
Gross carrying value:			
At 1st April 2017	**1,531.85**	**2,393.71**	**3,925.56**
Additions		937.55	937.55
Disposals	-	-	-
At 1st April 2018	**1,531.85**	**3,331.26**	**4,863.11**
Additions	496.01	231.74	727.75
Disposals	-	-	-
At 31 March 2019	**2,027.86**	**3,563.00**	**5,590.86**
Depreciation			
At 1st April 2017			
Charge for the year	-	62.73	62.73
Disposals	-	-	-
Other adjustments	-	-	-
At 1st April 2018	**-**	**62.73**	**62.73**
Charge for the year	-	78.21	78.21
Disposals	-	-	-
Other adjustments	-	-	-
At 31 March 2019	**-**	**140.94**	**140.94**
Net Block			
At 1 April 2017	**1,531.85**	**2,393.71**	**3,925.56**
At 31 March 2018	**1,531.85**	**3,268.53**	**4,800.38**
At 31 March 2019	**2,027.86**	**3,422.07**	**5,449.93**
Depreciation charge for the year			
At 31 March 2018	-	62.73	62.73
At 31 March 2019	-	78.21	78.21

i) The Company has elected the previous GAAP carrying amount as deemed cost on the date of transition for Property, Plant & Equipment, Intangible Assets and Capital Work-in-Progress. Hence, Net Block of March 31, 2017 as per previous GAAP is considered as Opening Gross block for April 1, 2017, as follows:

	As per Indian GAAP	
Particulars	Property plant and equipment April 1, 2017	Investment property April 01, 2017
Gross block	31.99	4,244.79
Accumulated depreciation	12.87	319.23
Net block	**19.12**	**3,925.56**

Income earned and expenses incurred in connection with Investment properties

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rental income	**215.43**	-
Direct operating expenses from property that generate rental income	**2.76**	0.07
Direct operating expenses from property that did not generate rental income	-	-

Contractual obligation

There are no contractual obligation to purchase, construct or develop investment properties.

Fair value

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Investment properties	**6,140.21**	5,964.78	5,789.34

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Sensitivity Analysis

Particulars	Valuation technique	Significant unobservable input	Range	Sensitivity of the input to fair value (weighted average)	Fair value	Sensitivity
Investment properties As at March 31, 2019	Professional valuer	Price per sq. feet	₹ 1,894 - ₹ 2,593 per sq. feet	5% sensitivity on rate per sq. feet	6,140.21	307.01

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
12	**Other financial liabilities (at amortised cost)**			
	Financial Guarantee Obligations	**307.49**	829.77	1,291.43
	Accrued expenses	**49.21**	23.35	19.37
	Liability for capital expenditure	**13.22**	58.69	-
	Total	**369.92**	**911.81**	**1,310.80**
13	**Other Non-financial liabilities**			
	Statutory Dues	**5.27**	5.99	11.74
	Total	**5.27**	**5.99**	**11.74**
14	**Provisions**			
	Provision on loans and financial guarantees (Refer Note 14a below)	**12.46**	46.24	86.50
	Employee benefits (refer Note 28.2)	**31.38**	36.84	31.72
	Total	**43.84**	**83.08**	**118.22**

Particulars	As at March 31, 2019	As at March 31, 2018
14a Movement of ECL allowance on loans and financial guarantees		
Opening Balance	**46.24**	86.50
New exposures	**12.46**	-
Exposures derecognised or matured (excluding write-offs)	**-20.30**	-40.26
Changes to models and inputs used for ECL calculations	**-25.94**	-
ECL allowance - closing balance	**12.46**	46.24

14.1 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification

a) Loan to subsidiary

	March 31, 2019				March 31, 2018			
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
High grade	**-**	**-**	**-**	**-**	12,170.00	-	-	12,170.00
Total	**-**	**-**	**-**	**-**	**12,170.00**	**-**	**-**	**12,170.00**

	March 31, 2017			
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
High grade	12,170.00			12,170.00
Total	**12,170.00**	**-**	**-**	**12,170.00**

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Loan to subsidiary is as follows:

Particulars	FY 18-19				FY 17-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	**12,170.00**	**-**	**-**	**12,170.00**	12,170.00	-	-	12,170.00
Exposure derecognised or repaid	**-12,170.00**	**-**	**-**	**-12,170.00**	-	-	-	
Closing balance of outstanding exposure	**-**			**-**	**12,170.00**			**12,170.00**

ECL on loan to subsidiary

	March 31, 2019				March 31, 2018			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
High grade	**-**	**-**	**-**	**-**	16.11	-	-	16.11
Total	**-**	**-**	**-**	**-**	**16.11**	**-**	**-**	**16.11**

	March 31, 2017			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total
High grade	16.11	-	-	16.11
Total	**16.11**	**-**	**-**	**16.11**

Reconciliation of ECL balance on loan to subsidiary is given below:

Particulars	FY 18-19				FY 17-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**16.11**	**-**	**-**	**16.11**	16.11	-	-	16.11
Exposures derecognised or repaid	**-16.11**	**-**	**-**	**-16.11**	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**-**	**-**	**16.11**	**-**	**-**	**16.11**

b) Rent receivable

	March 31, 2019				March 31, 2018			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
High grade	**215.43**	**-**	**-**	**215.43**	-	-	-	-
Total	**215.43**	**-**	**-**	**215.43**	**-**	**-**	**-**	**-**

	March 31, 2017			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total
High grade	-	-	-	-
Total	**-**	**-**	**-**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Rent receivable is as follows:

Particulars	FY 18-19				FY 17-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
High grade	**215.43**	**-**	**-**	**215.43**	-	-	-	-
Closing balance of outstanding exposure	**215.43**	**-**	**-**	**215.43**	-	-	-	-

ECL on rent receivable

	March 31, 2019				March 31, 2018			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
High grade	**12.46**	**-**	**-**	**12.46**	-			-
Total	**12.46**	**-**	**-**	**12.46**	**-**	**-**	**-**	**-**

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

	March 31, 2017			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total
High grade	-	-	-	-
Total	-	-	-	-

Reconciliation of ECL balance on Rental Income is given below:

	FY 18-19				FY 17-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	-	-	-	-	-	-
New exposures	12.46	-	-	12.46	-	-	-	-
ECL allowance - closing balance	**12.46**	**-**	**-**	**12.46**	**-**	**-**	**-**	**-**

c) Other commitments - Financial guarantee

	March 31, 2019				March 31, 2018			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
High grade	307.49	-	-	307.49	829.77	-	-	829.77
Total	**307.49**	**-**	**-**	**307.49**	829.77	-	-	829.77

	March 31, 2017			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total
High grade	1,291.43	-	-	1,291.43
Total	**1,291.43**	**-**	**-**	**1,291.43**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Other commitments is as follows:

Particulars	FY 18-19				FY 17-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	829.77	-	-	829.77	1,291.43	-	-	1,291.43
Exposure derecognised or repaid	522.28	-	-	522.28	461.66	-	-	461.66
Closing balance of outstanding exposure	**307.49**	**-**	**-**	**307.49**	**829.77**	**-**	**-**	**829.77**

ECL on Financial guarantee

	March 31, 2019				March 31, 2018			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
High grade	-	-	-	-	46.24	-	-	46.24
Total	**-**	**-**	**-**	**-**	**46.24**	**-**	**-**	**46.24**

	March 31, 2017			
Internal rating grade	Stage 1	Stage 2	Stage 3	Total
High grade	86.50			86.50
Total	**86.50**	**-**	**-**	**86.50**

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Reconciliation of ECL balance on Financial Guarantee is given below:

Particulars	FY 18-19				FY 17-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**46.24**	**-**	**-**	**46.24**	86.50	-	-	86.50
Exposures derecognised or matured (excluding write-offs)	**-20.30**	**-**	**-**	**-20.30**	-40.26	-	-	-40.26
Changes to models and inputs used for ECL calculations	**-25.94**	**-**	**-**	**-25.94**	-	-	-	-
ECL allowance - closing balance	**-**	**-**	**-**	**-**	46.24	-	-	46.24

15 Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	Amount (₹ in Lakh)	No. of shares	Amount (₹ in Lakh)	No. of shares	Amount (₹ in Lakh)
Authorised						
Equity shares of ₹ 10 each	**440,000,000**	**44,000**	440,000,000	44,000	365,000,000	36,500
Compulsorily convertible preference shares of ₹ 10 each	**10,000,000**	**1,000.00**	10,000,000	1,000.00	10,000,000	1,000.00
Issued, subscribed and paid up						
Equity shares of ₹ 10 each	**34,14,61,498**	**34,146.15**	340,429,976	34,043.00	337,813,746	33,781.37

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at Mar 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	Amount (₹ in Lakh)	No. of shares	Amount (₹ in Lakh)	No. of shares	Amount (₹ in Lakh)
Equity shares						
At the beginning of the year	**340,429,976**	**34,043.00**	337,813,746	33,781.38	337,813,746	33,781.37
Exercise of options under ESOP scheme	**1,031,522**	**103.15**	2,616,230	261.62	-	-
Outstanding at the end of the year	**341,461,498**	**34,146.15**	340,429,976	34,043.00	337,813,746	33,781.37

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

During the year, the company allotted 1,031,522 (Previous Year 2,616,230) Equity Shares of ₹ 10 each to eligible employees pursuant to exercise of options under the Employee Stock Options Scheme at applicable premiums.

Details of Shareholding more than 5% shares in the company

Particulars	As at Mar 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No of Shares	% holding	No of Shares	% holding	No of Shares	% holding
Equity Shares of ₹ 10 each fully paid						
International Finance Corporation	**14,338,925**	**4.20%**	22,059,885	6.48%	22,059,885	6.53%
CDC Group Plc	**26,791,230**	**7.85%**	26,791,230	7.87%	26,791,230	7.93%
Creation Investments Equitas Holdings LLC	**-**	**0.00%**	-	0.00%	17,313,912	5.13%
Credit Access Asia N.V.	**-**	**0.00%**	-	0.00%	17,566,159	5.20%
	41,130,155	**12.05%**	**48,851,115**	**14.35%**	**83,731,186**	**24.79%**

15.1 Shares reserved for issuance

Refer Note 40 with respect to Employee Stock Option Scheme.

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
16	**Other Equity**			
	Securities premium reserve	**130,212.91**	129,587.06	128,072.09
	Statutory Reserves	**1,595.74**	1,409.09	1,300.39
	Retained Earnings	**10,345.78**	7,804.60	5,704.79
	Share Based Payment Reserve	**3,812.80**	4,489.09	3,102.24
	FVTOCI Reserve	**13.94**	13.42	11.76
	Share application money	**28.84**	66.67	26.90
	Total	**146,010.01**	**143,369.93**	**138,218.17**

a. Securities premium reserve

The Securities premium received during the year represents the premium received towards allotment of 10,31,522 shares under ESOP Scheme. This balance in the reserve shall be utilised in accordance with the provisions of Section 52 of the Companies Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission / discount expenses on issue of shares / debentures, premium payable on redemption of redeemable preference shares / debentures and buy back of its own shares / securities under Section 68 of the Companies Act.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**129,587.06**	128,072.09
Premium on issue of share capital under ESOP Scheme	**625.85**	1,514.97
Balance at the end of the year	**130,212.91**	**129,587.06**

b. Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax as per statutory GAAP.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**1,409.09**	1,300.39
Transfer from retained earnings to Statutory Reserves	**186.65**	108.70
Balance at the end of the year	**1,595.74**	**1,409.09**

c. Retained Earnings

The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Retained earnings is a free reserve, retained from company's profits to meet future obligations.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**7,804.60**	5,704.79
Profit for the year	**933.24**	1,056.50
Transfer from retained earnings to Statutory Reserves	**-186.65**	-108.70
Transfer of ESOP cost to retained earnings upon lapse of options	**1,794.59**	1,152.01
Balance at the end of the year	**10,345.78**	**7,804.60**

d. Share Based Payment Reserve

The balance represents reserves created to the extent of granted options based on the Employees Stock Option Schemes. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**4,489.09**	3,102.24
Addition on account of ESOP cost	**1,262.51**	2,889.52
Transfer of ESOP cost to retained earnings upon lapse of options	**-1,794.59**	-1,152.01
Transfer of ESOP cost to securities premium upon exercise	**-144.21**	-350.66
Balance at the end of the year	**3,812.80**	**4,489.09**

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

e. FVTOCI Reserve

This reserve represents the cumulative gains and losses arising on the remeasurement on defined benefit obligations.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**13.42**	11.76
Addition during the year	**0.52**	1.66
Balance at the end of the year	**13.94**	**13.42**

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
17	**Interest income (On Financial Instruments measured at Amortized Cost)**		
	Interest on deposit with Banks	**19.10**	37.77
	Interest on deposit with Related Parties	**1,105.25**	345.84
	Interest Income on Loans to Related Parties	**264.67**	973.60
	Total	**1,389.02**	**1,357.21**
18	**Revenue from Contracts with Customers (Related Parties)**		
	Rental Income	**215.43**	-
	Guarantee Income	**461.21**	647.35
	Total	**676.64**	**647.35**
19	**Other income**		
	Other Miscellaneous Income	**1.65**	-
	Liabilities no longer required written back	**184.55**	-
	Total	**186.20**	**-**
20	**Impairment of financial instruments**		
	Corporate Loan Exposure (net)	**-16.11**	-
	Financial Guarantee Exposure (net)	**-46.24**	-40.27
	Rental Income Receivable	**12.46**	-
	Investment in Subsidiary	**468.00**	-
	Total	**418.11**	**-40.27**
21	**Employee benefit expenses**		
	Salaries and wages (Including bonus)	**104.21**	130.24
	Contribution to provident and other funds	**5.28**	6.01
	Gratuity expense (Refer Note 28.2)	**3.03**	4.38
	Staff welfare expenses	**0.82**	0.46
	Total	**113.34**	**141.09**
22	**Other expenses**		
	Advertisement & business promotion	**3.61**	2.63
	Communication expenses	**7.42**	5.68
	Professional & consultancy fee	**35.26**	29.40
	Payments to auditors (Refer Note A below)	**36.56**	17.72

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
	Directors' remuneration & sitting fees	**44.89**	30.49
	Registrar fee and general meeting expenses	**27.59**	39.52
	Miscellaneous expenses	**3.94**	0.49
	Insurance expenses	**5.84**	6.65
	Printing and stationery	**2.03**	0.09
	Rates and taxes	**29.99**	25.63
	Rent	**6.35**	6.31
	Repairs & maintenance - others	**4.63**	1.10
	Travelling & conveyance	**2.56**	7.72
	Bank and other finance charges	**122.99**	182.48
	Contributions towards CSR activities (Refer note B below)	**30.32**	20.00
	Guarantee expenses	**0.06**	3.45
	Loss assets written-off	**0.10**	68.69
	Total	**364.14**	**448.05**
	A. Payment to auditors		
	As auditors		
	Statutory audit	**13.20**	8.00
	Tax audit	**2.00**	2.00
	Limited review	**4.00**	4.00
	In other capacity		
	Certification fees	**2.50**	0.50
	Other reporting services	**7.80**	-
	Reimbursement of expenses	**0.14**	0.52
	Total	**29.64**	**15.02**

B. Details of CSR expenditure:

Particulars	March 31, 2019	March 31, 2018
a) Gross amount required to be spent by the Company during the year	**14.00**	11.00
b) Amount spent during the year ending on 31 March, 2019:		
i) Construction/acquisition of any asset	**-**	-
ii) On purposes other than (i) above	**30.32**	-
c) Amount spent during the year ending on 31 March, 2018:		
i) Construction/acquisition of any asset	**-**	-
ii) On purposes other than (i) above	**-**	20.00

The Company in accordance with its CSR Policy has implemented CSR activities, through the Equitas Development Initiatives Trust, a public charitable trust established by the Company.

The Board of Directors have approved a donation of ₹ 30.32 lakh (Previous Year ₹ 20.00 lakh) to Equitas Development Initiatives Trust for the year ended March 31, 2019 (Refer Note 30.2).

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

23 Income Tax

Statement of profit and loss

Particulars	March 31, 2019	March 31, 2018
The components of income tax expense for the years ended 31 March 2019 and 2018 are:		
Current tax	**350.67**	313.31
MAT entitlement credit	**-84.67**	-
Deferred tax relating to origination and reversal of temporary differences	**72.68**	16.16
Total tax charge reported in the statement of profit and loss	**338.68**	329.47
Current tax (net)	**266.00**	313.31
Deferred tax	**72.68**	16.16
	338.68	**329.47**

Other Comprehensive Income (OCI)

Particulars	March 31, 2019	March 31, 2018
Tax effect on		
Re-measurement gains/(losses) on defined benefit obligations (net)	**-0.21**	-0.68
Income tax charged to OCI	**-0.21**	**-0.68**

23.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:

Particulars	March 31, 2019	March 31, 2018
Accounting profit before tax	**1,271.92**	1,385.97
At India's statutory income tax rate of 29.12% (2018: 28.84%)	**370.38**	399.71
Income not subject to tax		
Financial guarantee income	**-205.83**	-187.77
Non–deductible expenses		
Impairment allowance for financial assets	**136.29**	19.82
Interest expenses on financial guarantee	**35.80**	53.55
Difference in tax base for donations and CSR expenses	**2.04**	2.88
Other disallowances	**-**	41.28
Income tax expense reported in the statement of profit and loss	**338.68**	**329.47**

The effective income tax rate for 31 March 2019 is 29.12% (31 March 2018: 28.84%).

23.2 Deferred tax

	March 31, 2019 Deferred tax assets	March 31, 2019 Deferred tax liabilities	2018-19 Income statement	2018-19 OCI
Provisions	10.51	-	0.22	-
Depreciation	2.94	-	-1.02	-
Impairment allowance for financial assets	3.63	-	14.53	-
Remeasurement gain / (loss) on defined benefit plan	0.17	-	-0.17	-0.21
Rent receivable	-	62.73	62.73	-
Other temporary differences	3.40	-	-3.40	-
Total	**20.65**	**62.73**	**72.89**	**-0.21**
Deferred tax liabilities (net)	42.08			

	March 31, 2018 Deferred tax assets	March 31, 2018 Deferred tax liabilities	2017-18 Income statement	2017-18 OCI
Provisions	10.73	-	0.25	-
Depreciation	1.92	-	-0.76	-
Impairment allowance for financial assets	18.16	-	17.35	-
Remeasurement gain / (loss) on defined benefit plan	-	-	-	-0.68
Total	**30.81**	**-**	**16.84**	**-0.68**
Deferred tax assets (net)	30.81			

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

	April 1, 2017 Deferred tax assets	April 1, 2017 Deferred tax liabilities
Provisions	10.98	-
Depreciation	1.16	-
Impairment allowance for financial assets	35.51	-
Total	**47.65**	-
Deferred tax assets (net)	47.65	-

24 Earnings per equity share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Total operations for the year

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Profit after tax	**933.24**	1,056.50
Weighted average number of equity shares in calculating basic EPS	**341,029,144**	339,075,142
Effect of dilution:		
Add: Dilutive impact of ESOPs	**81,811**	3,993,662
Weighted average number of equity shares in calculating Diluted EPS	**341,110,955**	343,068,804
Basic earnings per equity share	**0.27**	0.31
Diluted earnings per equity share	**0.27**	0.31

25 Expenditure and income in foreign currency : NIL

26.1 Operating Lease - as lessee

The company has taken premises on operating leases for office. The details of maturity profile of future operating lease payments are given below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Future lease rentals payable at the end of the year			
- Not later than one year	**3.14**	5.38	5.38
- Later than one year but not later than five years	**-**	3.14	8.52
- Later than five years	**-**	-	-
Total minimum lease payments recognised in the Profit and loss account	**6.35**	6.35	0.67
Total of future minimum sub lease payments expected to be received under non-cancellable sub-lease	**-**	-	-

The company has not sub-leased any of the properties taken on lease. There are no provisions relating to contingent rent.

26.2 Operating Lease - as lessor

The company has provided premises on operating leases for running schools. The details of maturity profile of future operating lease receivable are given below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Future lease rentals payable at the end of the year		
- Not later than one year	**215.43**	-
- Later than one year but not later than five years	**861.70**	-
- Later than five years	**4,218.17**	-
Total minimum lease rent recognised in the Profit and loss account	**215.43**	-
Total of future minimum sub lease payments expected to be received under non-cancellable sub-lease	**-**	-

The company has not sub-leased any of the properties taken on lease. There are no provisions relating to contingent rent. Also Refer note 4.4

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

27 Micro, Small and Medium Enterprises

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and relied upon by the auditors, there are no amounts due to MSME as at March 31, 2019. The relevant particulars are furnished below:

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers under MSMED Act, as at the year end	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed date, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

28 Retirement benefit plan

28.1 Defined contribution plan

The Company makes Provident Fund contributions to State administered fund for qualifying employees. The Company is required to contribute a specified percentage of the payroll costs to the Fund. The Company recognised ₹ 5.81 lakh (For the year ended March 31, 2018: ₹ 6.01 lakh) towards Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the fund by the Company is at rates specified in the rules of the scheme.

28.2 Defined benefit plans

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Change in defined benefit obligations during the year		
Present value of defined benefit obligation at beginning of the year	**16.35**	14.32
Current service cost	**1.99**	3.43
Interest cost	**1.04**	0.94
Benefits paid	**-3.48**	-
Remeasurement effect of experience adjustments	**-0.73**	-2.34
Present value of defined benefit obligation at end of the year	**15.17**	**16.35**
Change in fair value of assets during the year		
Plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actual company contributions	-	-
Actuarial loss	-	-
Plan assets at end of the year	-	-
Liability recognised in the balance sheet		
Present value of defined benefit obligation	**15.17**	16.35
Fair value of plan assets	-	-
Net liability recognised in the balance sheet	**15.17**	**16.35**
Cost of defined benefit plan for the year		
Current service cost	**1.99**	3.43
Interest cost	**1.04**	0.94
Expected return on plan assets	-	-
Net cost recognized in the statement of profit and loss and OCI	**3.03**	**4.37**
Remeasurement		
Effect of experience adjustments	**-0.73**	-2.34
Total remeasurements gain recognised in OCI	**-0.73**	**-2.34**

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

	Return on plan assets	-	-

	Actuarial assumptions		
	Discount rate (Refer note (a))	6.86%	7.13%
	Interest rate (Rate of return on assets)	NA	NA
	Future salary increase (Refer note (b))	10.00%	10.00%
	Mortality table	Indian Assured Lives (2006 -08)	Indian Assured Lives (2006 -08)
	Attrition rate (Refer note (b))	20.00%	20.00%

Notes:

a) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the balance sheet date for the estimated term of the obligation.

b) The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors. Further, the Management revisits the assumptions such as attrition rate, salary escalation etc., taking into account, the business conditions, various external/internal factors affecting the Company.

c) Experience Adjustments:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017
Projected Benefit Obligation	**15.17**	16.35	14.32
Fair Value of Plan Assets	**-**	-	-
(Deficit)/ Surplus	**-15.17**	-16.35	-14.32
Experience Adjustments on Plan Liabilities - Gains	**0.73**	2.34	8.73
Experience Adjustments on Plan Assets - Loss	**-**	-	-

Expected contributions in the following year to the Fund : 18.45

Expected payment for future years	Year Ended March 31, 2019
Within the next 12 months (next annual reporting period)	**12.65**
Between 2 and 5 years	**5.80**
Between 5 and 10 years	**-**
Beyond 10 years	**-**
Total expected payments	**18.45**

The Defined Benefit Obligation (DBO) is sensitive to changes in the Discount Rate, the Salary Escalation Rate and the Staff Exit Rate.

As is to be expected, an increase in the discount rate reduces the DBO and vice versa

Discount Rate: An increase in Discount Rate would reduce the DBO and a decrease in discount rate would increase the DBO.

In this case, an increase of 0.5% of Discount rate would decrease DBO by:	-0.40%
Similarly, a decrease by 0.5% will increase DBO by:	0.42%
Salary Escalation Rate: An increase in Salary Escalation Rate increases the DBO, and vice versa	
In this case, an increase of 0.5% of salary escalation rate would increase DBO by:	0.42%
Similarly, a decrease by 0.5% will decrease DBO by:	-0.40%
Staff Exit Rate: The direction of movement of DBO for changes in the Exit Rate would depend on the relative values of the Discount Rate and the Salary Escalation Rate.	
In this case, an increase of 0.5% of Staff Exit rate would change DBO by:	-0.06%
Similarly, a decrease by 0.5% will change DBO by:	0.06%

Particulars	Discount Rate		Future Salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on DBO	-0.06	0.06	0.06	-0.06

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

28.3 Compensated Absences

The key assumptions used in the computation of provision for compensated absences as per the Actuarial Valuation done by an Independent Actuary are as given below:

Assumptions	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount Rate	6.86%	7.13%
Future Salary Increase	10.00%	10.00%
Mortality Rate	Indian Assured Lives (2006 -08)	Indian Assured Lives (2006 -08)
Attrition rate	20.00%	20.00%
Discount Rate: An increase in the Discount rate reduces the DBO, and vice versa. In this case, an increase of 0.5% of Discount rate would decrease DBO by:		-0.45%
Similarly, a decrease by 0.5% will increase D.B.O by:		0.47%
Salary Escalation Rate: An increase in Salary Escalation Rate increases the DBO, and vice versa. In this case, an increase of 0.5% of salary escalation rate would increase DBO by:		0.47%
Similarly, a decrease by 0.5% will decrease DBO by:		-0.45%
Staff Exit Rate: The direction of movement of DBO for changes in the Exit Rate would depend on the relative values of the Discount Rate and the Salary Escalation Rate. In this case, an increase of 0.5% of Staff Exit rate would change DBO by:		-0.06%
Similarly, a decrease by 0.5% will change DBO by:		0.07%

Particulars	Discount Rate		Future Salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on DBO	-0.07	0.08	-0.08	0.07

Notes Forming Part of Financial Statement

29 Maturity analysis of assets and liabilities

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Assets	March 31, 2019			March 31, 2018			March 31, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and cash equivalents	405.23	-	405.23	351.83	-	351.83	65.44	-	65.44
Bank Balance other than cash and cash equivalents	5,113.59	12,289.85	17,403.44	4,310.00	585.00	4,895.00	1,275.34	3,150.00	4,425.34
Loans	-	-	-	12,153.89	-	12,153.89	-	12,153.89	12,153.89
Other Financial Assets	80.40	363.87	444.27	24.54	18.93	43.47	324.37	154.80	479.17
Investments	-	156,187.00	156,187.00	-	155,392.50	155,392.50	-	152,007.33	152,007.33
Non-financial Assets									
Current tax asset (Net)	-	3,892.01	3,892.01	-	3,880.03	3,880.03	-	3,584.11	3,584.11
Deferred tax Asset (Net)	-	-	-	-	30.81	30.81	-	47.65	47.65
Other non-financial assets	4.17	-	4.17	3.42	0	3.42	3.66	-	3.66
Property, Plant and Equipment	-	2.04	2.04	-	11.60	11.60	-	17.70	17.70
Capital work in Progress	-	-		-	106.77	106.77	-	10.06	10.06
Intangible assets	-	0.09	0.09	-	0.66	0.66	-	1.42	1.42
Investment Property	-	5,449.93	5,449.93	-	4,800.38	4,800.38	-	3,925.56	3,925.56
Total assets	**5,603.39**	**178,184.79**	**183,788.18**	**16,843.68**	**164,826.68**	**181,670.36**	**1,668.81**	**175,052.52**	**176,721.33**
Financial Liabilities									
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.00	-	6.00	20.06	-	20.06	44.54	-	44.54
Other financial liabilities	71.37	298.55	369.92	386.53	525.28	911.81	481.27	829.53	1,310.80
Non-Financial Liabilities									
Current tax liability	3,164.91	-	3,164.91	-	3,236.49	3,236.49	-	3,236.49	3,236.49
Other Non-financial liabilities	5.27	-	5.27	5.99	-	5.99	11.74	-	11.74
Provisions	12.65	31.19	43.84	-	83.08	83.08	-	118.22	118.22
Deferred tax liabilities (Net)	-	42.08	42.08	-	-	-	-	-	-
Total liabilities	**3,260.20**	**371.82**	**3,632.02**	**412.58**	**3,844.85**	**4,257.43**	**537.55**	**4,184.24**	**4,721.79**
Net	**2,343.19**	**177,812.97**	**180,156.16**	**16,431.10**	**160,981.83**	**177,412.93**	**1,131.26**	**170,868.28**	**171,999.54**

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

30 Related party disclosures

30.1 List of related parties and nature of relationship

Relationship	Name of the party
Subsidiary	Equitas Small Finance Bank Limited Equitas Technologies Private Limited
Key Management Personnel	S Bhaskar, Executive Director and CEO R Srimathy, Chief Financial Officer Jayashree S Iyer, Company Secretary (till November 2, 2018) Deepti R, Company Secretary (w.e.f November 3, 2018)
Independent/ Non Executive Directors	Mr Rangachary N, Chairman Mr Arun Ramanathan Ms Jayshree Ashwinkumar Vyas Mr Rajaraman P V Mr Viswanatha Prasad S (w.e.f October 26,2017) Mr Yogesh Chand Nanda (Ceased w.e.f. March 28, 2019) Mr. Raghavan M S - (Resigned w.e.f April 27, 2018) Mr. Kuppuswamy P T (Resigned w.e.f September 27, 2017)
Enterprises over which the Company or its Key management personnel is able to exercise significant influence	Equitas Development Initiatives Trust Equitas Dhanyakosha India Equitas Healthcare Foundation (w.e.f. March 13, 2018)

30.2 Transactions with the Related Parties

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Income		
Guarantee Income		
Equitas Small Finance Bank Limited	**645.76**	647.35
Rental Income		
Equitas Development Initiatives Trust	**215.43**	-
Interest on loans to related parties		
Equitas Small Finance Bank Limited	**264.67**	973.60
Interest on deposits placed with related parties		
Equitas Small Finance Bank Limited	**1,105.25**	345.84
Expenses		
Reimbursement of expenses		
Equitas Small Finance Bank Limited	**0.34**	-
Interest cost on Financial Guarantee		
Equitas Small Finance Bank Limited	**122.93**	182.24
Contribution for creating Trust		
Equitas Healthcare Foundation	**-**	0.01
Donation		
Equitas Development Initiatives Trust	**30.32**	20.00
Remuneration to Key Managerial Personnel *		
S Bhaskar, Executive Director and CEO	**63.26**	59.81
S Vasudevan, Chief Financial officer (till July 31, 2017)	**-**	16.20
R Srimathy, Chief Financial Officer (from August 1, 2017)	**16.20**	8.81
Jayashree Iyer , Company Secretary (till November 2, 2018)	**30.76**	23.55
Deepti R, Company Secretary (from November 3, 2018)	**3.17**	-
* excludes employer's contribution to various funds, non-monetary perquisites and provisions made for gratuity and leave benefits, as these are determined for the Company as a whole		
Remuneration and Sitting Fees to Non-Executive Directors	**40.25**	25.00

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Other Transactions		
Deposits placed		
Equitas Small Finance Bank Limited	**20,759.09**	2,756.00
Deposits matured		
Equitas Small Finance Bank Limited	**7,655.65**	1,711.00
Withdrawals and funds transfer		
Equitas Small Finance Bank Limited	**22,522.82**	6,733.54
Receipts and interest credits		
Equitas Small Finance Bank Limited	**22,341.66**	7,005.72
Loans recovered		
Equitas Small Finance Bank Limited	**12,170.00**	-
Loss assets written-off		
Equitas Dhanyakosha India	**-**	68.69
In FY 18, the Company's lien marked deposit to the extent of ₹ 68.69 lakh was enforced in respect of the overdraft facilities availed by Equitas Dhanyakosha India from a bank. The amount has been written off considering its recoverability status.		
Investment in Equity Shares of Subsidiaries, including premium		
Equitas Technologies Private Limited	**-**	500.00
Guarantees revoked		
Equitas Small Finance Bank Limited	15,000.00	22,300.00

Under the ESOP Scheme 2015, 6,858 shares (previous year - 1,197) were allotted to Key Managerial Personnel. The options vested and outstanding for the key managerial personnel as of 31st March 2019 and 31st March 2018 is as provided below:

As at March 31, 2019

Name of the KMP	Grant Date	Expiry date	Exercise Price	No of options
Bhaskar S	5-Jul-16	1-Aug-20	184	24,300
Srimathy Raghunathan	9-May-14	30-Jun-21	43	798
Srimathy Raghunathan	1-Jul-16	1-Jul-21	178	1,225
Deepti R	5-Aug-16	1-Sep-21	173	607
				26,930

As at March 31, 2018

Name of the KMP	Grant Date	Expiry date	Exercise Price	No of options
Bhaskar S	5-Jul-16	1-Aug-20	184	24,300
Srimathy Raghunathan	9-May-14	30-Jun-20	43	378
Srimathy Raghunathan	1-Jul-16	1-Jul-20	178	580
Jayashree S Iyer	9-May-14	30-Jun-20	43	2,700
Jayashree S Iyer	7-Nov-15	31-Dec-20	70	1,458
Jayashree S Iyer	9-May-12	30-Jun-19	40	1,620
				31,036

Balance as at Year End		
Loans Outstanding		
Equitas Small Finance Bank Limited	-	12,170.00
Deposits		
Equitas Small Finance Bank Limited	17,648.44	4,545.00
Interest Receivable on Deposits		
Equitas Small Finance Bank Limited	203.17	21.62
Balances with Current Accounts		
Equitas Small Finance Bank Limited	150.88	332.04
Corporate Guarantees		
Equitas Small Finance Bank Limited	5,200.00	20,200.00
Financial Guarantee Obligation		
Equitas Housing Finance Limited	307.49	670.10
Deposits under lien given as security for overdraft facilities		
Equitas Development Initiatives Trust	-	350.00

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

31 Segment information

For management purposes, the Company's operations are organised into only one segment - Core investment operations in India. The Management Committee comprises of ED & CEO and CFO, (ED & CEO being the head of the Management Committee). It reviews and monitors the operating results of the operating segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

32 Commitments and contingencies

To meet the financial needs of its subsidiary, the Company enters into various irrevocable commitments, which primarily consist of guarantee on loan availed by the subsidiary. Further the Company is also exposed to contingent liabilities arising from legal claims.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Claims against the company not acknowledged as debts		
- Income tax matters	**1,067.37**	1,067.37
- Guarantees for loans takes by subsidiaries	**5,200.00**	20,200.00
Commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	**15.03**	62.43

33 Legal claims

The Company operates in a regulatory and legal environment by nature, there are various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims.

i. Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books (included under Note 14).

ii. Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed in Note 32.

iii. Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

34 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Company has complied in full with all its externally imposed capital requirements over the reported period.

34.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its core investment activity and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are reviewed by the Board.

34.2 Regulatory capital (Also Refer Note 41)

	2019	2018	2017
Common Equity Tier1 (CET1) capital	**170,559.08**	169,448.09	167,492.52
Other Tier 2 capital instruments	**-**	48.68	-
Total capital	**170,559.08**	169,496.77	167,492.52
Risk weighted assets	**176,122.60**	189,478.05	205,265.54
CET1 capital ratio	**96.84%**	89.43%	81.60%
Tier 2 capital ratio	**0.00%**	0.03%	0.00%

Regulatory capital consists of CET 1 capital, which comprises share capital, share premium, retained earnings including current year profit and non-controlling interests less accrued dividends and goodwill.

As mentioned in detail in Note 41, the above disclosure is prepared based on Regulatory/Previous GAAP as compiled by the management and has been relied upon by the auditors.

35 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

36 Fair value measurement

36.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

36.2 Valuation governance

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. The independent price verification process for financial reporting is ultimately the responsibility of the independent price verification team within Finance which reports to the Chief Financial officer.

36.3 Assets and liabilities by fair value hierarchy

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

31-Mar-19	Notional amount	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis					
Financial Assets					
Cash and cash equivalents	405.23	405.23	-	-	405.23
Bank balance other than cash and cash equivalents	17,403.44	17,403.44	-	-	17,403.44
Loans	-	-	-	-	-
Other Financial Assets	444.27	-	-	444.27	444.27
Investment in subsidiaries	156,187.00	-	466,094.94	-	466,094.94
Total financial assets	**174,439.94**	**17,808.67**	**466,094.94**	**444.27**	**484,347.89**
Financial liabilities					
Trade Payables					
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.00	-	-	6.00	6.00
Other financial liabilities	369.92	-	-	369.92	369.92
Total financial liabilities	**375.92**	**-**	**-**	**375.92**	**375.92**

31-Mar-18	Notional amount	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis					
Financial Assets					
Cash and cash equivalents	351.83	351.83	-	-	351.83
Bank balance other than cash and cash equivalents	4,895.00	4,895.00	-	-	4,895.00
Loans	12,153.89	-	-	12,153.89	12,153.89
Other Financial Asset	43.47	-	-	43.47	43.47
Investment in subsidiaries	155,392.50	-	489,878.74	-	489,878.74
Total financial assets	**172,836.69**	**5,246.83**	**489,878.74**	**12,197.36**	**507,322.92**
Financial liabilities					
Trade Payables					
Total outstanding dues of creditors other than micro enterprises and small enterprises	20.06	-	-	20.06	20.06
Other financial liabilities	911.81	-	-	911.81	911.81
Total financial liabilities	**931.87**	**-**	**-**	**931.87**	**931.87**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

1-Apr-17	Notional amount	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis					
Financial Assets					
Cash and cash equivalents	65.44	65.44	-	-	65.44
Bank balance other than cash and cash equivalents	4,425.34	4,425.34	-	-	4,425.34
Loans	12,153.89	-	-	12,153.89	12,153.89
Other Financial Asset	479.17	-	-	479.17	479.17
Investment in subsidiaries	152,007.33	-	573,438.83	-	573,438.83
Total financial assets	**169,131.17**	**4,490.78**	**573,438.83**	**12,633.06**	**590,562.67**
Financial liabilities					
Trade Payables					
Total outstanding dues of creditors other than micro enterprises and small enterprises	44.54	-	-	44.54	44.54
Other financial liabilities	1,310.80	-	-	1,310.80	1,310.80
Total financial liabilities	**1,355.34**	**-**	**-**	**1,355.34**	**1,355.34**

36.4 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

36.5 Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Credit risk is derived from market observable data. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

36.6 Off balance sheet items

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

36.7 Investment in subsidiary

The company being a core investment company has no separate business operations on a standalone basis. The equity shares of the Company are listed in stock exchanges in India and it is estimated that the value of the shares of the Company are derived from the operations in its investments in subsidiary. Accordingly, the management has considered the value of its shares in active market as the value of investment in its subsidiary having operations.

37 Risk Management Framework

The Company is a Core Investment Company (CIC) and its operations are limited to being a CIC. The risks therefore relate to investments made in its Subsidiaries and other investments. The operations of each of the subsidiaries, the risks faced by them and the risk mitigation tools followed by them to manage these risks are reviewed periodically by the Audit Committees and the Boards of the respective Subsidiaries and other investments.

The Company always regard that managing the risks that affect its business as a fundamental activity, as they influence performance, reputation and future success. Effective risk management involves taking an integrated and balanced approach to risk and reward, and assists in achieving objectives of mitigating potential loss or damage and optimizing financial growth opportunities. Risk management framework of the Company is aimed at aligning capital to investment strategy, to protect Company's financial strength, reputation and to ensure support to various investment activities while enhancing shareholder value. The company has a well-established risk reporting and monitoring framework. This provides the level and direction of the risks, which are arrived at based on the two level risk thresholds for the identified Key Risk Indicators and are aligned to the overall company's risk appetite framework approved by the board. The company also developed such risk reporting and monitoring mechanism. The company identifies and monitors risks periodically. This process enables the company to reassess the top critical risks in a changing environment that need to be focused on.

37.1 Risk Management Governance

Risk management is the responsibility of the Board of Directors, which approves risk policies and the delegation matrix. The Board is supported by various management committees as part of the Risk Governance framework. The Company operates within overall limits set by the Board and Committees to whom powers are delegated by the Board.

The Audit Committee of the Board assists the Board in carrying out its oversight responsibilities as they relate to the company's

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financial and other reporting practices, internal control, and compliance with laws, regulations, and ethics. From risk management perspective, it review the adequacy of Company's risk management policies, processes and report the matter to the Board of Directors.

37.2 Liquidity and Fund Management

Liquidity risk is defined as the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the company on acceptable terms. The company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. Refer Note 38 for the summary of maturity profile of undiscounted cashflows of the Company's financial assets and financial liabilities as at reporting period.

37.3 Concentration of Risk/Exposure

Concentration of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in same geographical area or industry sector so that collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company's investments consist of investment in equity shares of subsidiaries and the management believes that it will not be affected by changes in regulatory, economic, political or other conditions.

37.4 ALM & Market Risk Management

Market Risk may be defined as the possibility of loss to a Company caused by changes in the market variables such as interest rates, credit spreads, equity prices, etc. The market risk for the Company is governed by 'Market Risk Policy' and 'Treasury & Investment Policy', which are approved by the Board. These policies ensure that transactions in debt and capital markets are conducted in accordance with acceptable business practices and are as per the extant regulatory guidelines. The key responsibilities of this function are:

- To establish comprehensive risk management policy to identify, measure, and manage liquidity and interest rate risk.

- To establish linkages between ALM system and other risk management systems in the Company in order to monitor the risks on an integrated basis.

- To identify ALM risks associated with the Company's portfolio, develop appropriate risk measurement methodology for managing and mitigating the ALM Risk.

- To provide inputs for capital planning in order to meet the future funding requirements, with the set goal of profit planning / business growth.

37.5 Credit risk and impairment assessment

Impairment risk of investment refers to the deterioration in value of investments in subsidiaries / group companies through operational and credit risks. The Company being a CIC company is exposured to credit risk and impairment risk of investments and loans to counter parties. Counter party exposures are reviewed periodically by the management for credit risk / impairment risk and are approved by the management.

As per Indian Accounting standard Ind AS 109 Non-banking financial institutions are required to move from a standardized and regulatory approach to Expected Credit Loss model for recognizing an impairment allowance on their financials assets. The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL)). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

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Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the LTECLs.

37.6 Computation of ECL

The Company calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that expected to be received.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

a) **Probability to Default**

Probability of default (PD) is defined as the probability of whether the borrower will default on their obligations in the future. It is an unbiased estimate on the likelihood of the loan not being repaid by the borrower within a particular time. The Probability of Default is computed based on Company's assessment of the credit history of the borrower/ investment. The accounts / investments which are more than 90 DPD or have a significant rating downgrade are considered as default. Probability of Default (both 12m and LTECL) is computed based on rating migration and is assessed considering the Company's past experience and also inputs / benchmarks from external credit rating agencies.

b) **Exposure at Default**

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

c) **Loss Given Default**

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the Exposure at Default (EAD). The Company computes Loss Given Default based on the historical recovery experience.

37.7 Forward Looking Information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as Gross Domestic Product (GDP) and Index of Industrial Production.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

38 Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarizes the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as on the reporting year end date.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
As at 31 March 2019						
Financial assets						
Cash and cash equivalent and other bank balances	160.23	245.00	4,868.59	12,534.85	-	17,808.67
Investment in Subsidiaries	-	-	-	-	156,187.00	156,187.00
Trade receivables	3.23	64.34	135.60	101.34	139.76	444.27
Total undiscounted financial assets	**163.46**	**309.34**	**5,004.19**	**12,636.19**	**156,326.76**	**174,439.94**
Financial liabilities						
Other financial liabilities	-	70.67	6.71	298.55	-	375.92
Total undiscounted financial liabilities	**-**	**70.67**	**6.71**	**298.55**	**-**	**375.92**
Net undiscounted financial assets/(liabilities)	**163.46**	**238.67**	**4,997.48**	**12,337.64**	**156,326.76**	**174,064.02**
As at 31 March 2018						
Financial assets						
Cash and cash equivalent and other bank balances	351.83	2,890.00	1,420.00	585.00	-	5,246.83
Loans	-	4,000.00	8,170.00	-	-	12,170.00
Investment in Subsidiaries	-	-	-	-	155,392.50	155,392.50
Trade receivables	-	17.89	19.39	6.19	-	43.47
Total undiscounted financial assets	**351.83**	**6,907.89**	**9,609.39**	**591.19**	**155,392.50**	**172,852.80**
Financial liabilities						
Other financial liabilities	-	102.09	304.50	525.28	-	931.87
Total undiscounted financial liabilities	-	102.09	304.50	525.28	-	931.87
Net undiscounted financial assets/(liabilities)	**351.83**	**6,805.80**	**9,304.89**	**65.91**	**155,392.50**	**171,920.93**
As at 1 April 2017						
Financial assets						
Cash and cash equivalent and other bank balances	25.44	585.34	730.00	3,150.00	-	4,490.78
Loans	-	-	-	12,170.00	-	12,170.00
Investment in Subsidiaries	-	-	-	-	152,007.33	152,007.33
Trade receivables	-	470.50	2.65	6.02	-	479.17
Total undiscounted financial assets	**25.44**	**1,055.84**	**732.65**	**15,326.02**	**152,007.33**	**169,147.29**
Other financial liabilities	-	63.91	461.90	829.53	-	1,355.34
Total undiscounted financial liabilities	-	63.91	461.90	829.53	-	1,355.34
Net undiscounted financial assets/(liabilities)	**25.44**	**991.93**	**270.75**	**14,496.49**	**152,007.33**	**167,791.95**

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39 Total market risk exposure

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	31-Mar-19			31-Mar-18			1-Apr-17		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets									
Cash and cash equivalent and other bank balances	**17,808.67**	**-**	**17,808.67**	5,246.83	-	5,246.83	4,490.78	-	4,490.78
Loans	**-**	**-**	**-**	12,153.89	-	12,153.89	12,153.89	-	12,153.89
Other Financial Assets	**444.27**	**-**	**444.27**	43.47	-	43.47	479.17	-	479.17
Financial investments–amortised cost	**156,187.00**	**-**	**156,187.00**	155,392.50	-	155,392.50	152,007.33	-	152,007.33
Total	**174,439.94**	**-**	**174,439.94**	**172,836.69**	**-**	**172,836.69**	**169,131.17**	**-**	**169,131.17**
Liabilities									
Trade payables	**6.00**	**-**	**6.00**	20.06	-	20.06	44.54		44.54
Other liabilities	**369.92**	**-**	**369.92**	911.81	-	911.81	1,310.80		1,310.80
Total	**375.92**	**-**	**375.92**	**931.87**	**-**	**931.87**	**1,355.34**	**-**	**1,355.34**

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40 Share based payments

On December 17, 2007, the Company established an Employees Stock Option Scheme 2007 (ESOP Scheme 2007). Under the plan, the Company is authorized to issue upto 5,620,000 Equity Shares of ₹10 each to eligible employees of the Company and its Subsidiaries. Employees covered by the plan are granted an option to purchase shares of the Company subject to the requirements of vesting. A Remuneration and Nomination Committee constituted by the Board of Directors of the Company administers the plan.

During the year ended March 31, 2013, the Company established a new employee stock option scheme titled Equitas Employees Stock Option Scheme, 2012 (ESOP Scheme 2012) effective from November 10, 2012. Under the plan, the Company was authorized to issue upto 1,000,000 Equity Shares of ₹ 10 each to eligible employees of the Company and its Subsidiaries. Further, the outstanding options under the ESOP Scheme 2007 has been transferred and made available for grant under the new scheme.

During the year ended March 31, 2014, the Company established a new employee stock option scheme titled Equitas Employees Stock Option Scheme, 2014 (ESOP Scheme 2014) effective from July 18, 2014. Under the plan, the Company was authorized to issue upto 10,500,000 Equity Shares of ₹10 each to eligible employees of the Company and its Subsidiaries. Further, the outstanding options under the ESOP Scheme 2012 has been transferred and made available for grant under the new scheme.

During the year ended March 31, 2015, pursuant to the issue of bonus shares for the existing shareholders, the Company granted 2 additional options for every 1 option outstanding to be exercised as on the date of bonus issue. Further, the exercise price for each option was been reduced to one-third of the original exercise price determined at the grant date.

During the year ended March 31, 2016, the Company established a new employee stock option scheme titled Equitas Employees Stock Option Scheme, 2015 (ESOP Scheme 2015) effective from September 7, 2015. Under the plan, the Company was authorized to issue upto 22,200,000 Equity Shares of ₹10 each to eligible employees of the Company and its Subsidiaries. Further, the outstanding options under the ESOP Scheme 2014 has been transferred and made available for grant under the new scheme.

As at March 31, 2019, 126,44,449 (As at March 31, 2018 - 17,981,734) options were outstanding, which were granted at various exercise prices. The following are the outstanding grants as at March 31, 2019:

ESOP Scheme after transfer	Vesting Period	Particulars	Date of Grant	Date of Board Approval	Exercise Price	Options granted	Method of settlement
ESOP Scheme 2007	30-Jun-11 to 30-Jun-14	Grant 6	26-Apr-10	26-Apr-10	33.34	563,534	Equity
ESOP Scheme 2007	31-Dec-11 to 31-Dec-14	Grant 7	27-Oct-10	27-Oct-10	40.00	1,268,988	Equity
ESOP Scheme 2007	30-Jun-12 to 30-Jun-15	Grant 8	13-May-11	13-May-11	40.00	586,458	Equity
ESOP Scheme 2007	31-Dec-12 to 31-Dec-15	Grant 9	2-Nov-11	2-Nov-11	40.00	594,045	Equity
ESOP Scheme 2007	30-Jun-13 to 30-Jun-16	Grant 10	9-May-12	9-May-12	40.00	605,985	Equity
ESOP Scheme 2007	31-Dec-13 to 31-Dec-16	Grant 11	7-Nov-12	7-Nov-12	40.00	783,306	Equity
ESOP Scheme 2012	30-Jun-14 to 30-Jun-17	Grant 12	4-May-13	4-May-13	40.00	633,150	Equity
ESOP Scheme 2012	31-Dec-14 to 31-Dec-17	Grant 13	15-Nov-13	15-Nov-13	40.00	2,202,225	Equity
ESOP Scheme 2012	30-Jun-15 to 30-Jun-18	Grant 14	9-May-14	9-May-14	43.34	2,934,600	Equity
ESOP Scheme 2014	31-Dec-15 to 31-Dec-18	Grant 15	12-Nov-14	12-Nov-14	55.00	4,051,650	Equity
ESOP Scheme 2014	30-Jun-16 to 30-Jun-19	Grant 16	7-May-15	7-May-15	65.00	2,268,400	Equity
ESOP Scheme 2014	31-Dec-16 to 31-Dec-19	Grant 17	7-Aug-15	7-Aug-15	70.00	2,321,850	Equity
ESOP Scheme 2015	31-Dec-16 to 31-Dec-19	Grant 18	6-Nov-15	6-Nov-15	70.00	4,382,650	Equity
ESOP Scheme 2015	01-Jul-17 to 01-Jul-20	Grant 19	1-Jul-16	1-Jul-16	178.00	7,597,900	Equity
ESOP Scheme 2015	01-Aug-17 to 01-Aug-20	Grant 20	4-Jul-16	4-Jul-16	184.00	838,500	Equity
ESOP Scheme 2015	01-Sep-17 to 01-Sep-20	Grant 21	5-Aug-16	5-Aug-16	173.00	1,840,150	Equity
ESOP Scheme 2015	01-Oct-17 to 01-Oct-20	Grant 22	10-Sep-16	10-Sep-16	182.00	2,007,200	Equity
ESOP Scheme 2015	01-Nov-17 to 01-Nov-20	Grant 23	21-Oct-16	21-Oct-16	183.00	2,038,500	Equity
ESOP Scheme 2015	01-Feb-18 to 01-Feb-21	Grant 24	1-Feb-17	1-Feb-17	165.00	5,063,450	Equity
ESOP Scheme 2015	05-May-18 to 05-May-21	Grant 25	5-May-17	5-May-17	164.00	2,610,600	Equity
ESOP Scheme 2015	16-Aug-18 to 16-Aug-21	Grant 26	16-Aug-17	16-Aug-17	156.00	400,000	Equity
ESOP Scheme 2015	31-Jan-19 to 31-Jan-22	Grant 27	31-Jan-18	31-Jan-18	151.00	137,150	Equity
ESOP Scheme 2015	01-May-19 to 01-May-22	Grant 28	27-Apr-18	27-Apr-18	151.00	400,000	Equity
ESOP Scheme 2015	01-Aug-19 to 01-Aug -22	Grant 29	27-Jul-18	27-Jul-18	140.00	650,000	Equity
ESOP Scheme 2015	1-Aug-19	Grant 30	27-Jul-18	27-Jul-18	140.00	495,115	Equity
ESOP Scheme 2015	02-Nov-19 to 02-Nov -22	Grant 31	2-Nov-18	2-Nov-18	113.00	136,000	Equity
ESOP Scheme 2015	2-Nov-19	Grant 32	2-Nov-18	2-Nov-18	113.00	11,000	Equity

* The outstanding options under the ESOP Scheme 2012 has been transferred and made available for grant under the new scheme Employees Stock Option Scheme, 2015 (ESOP Scheme 2015) effective from September 7, 2015 approved by the shareholders on June 22, 2016.

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Exercise Period:	Eligible to exercise the options during the next three years from the date of vesting.
Manner of vesting:	Service condition:
	In a graded manner over four years and one year period with 30%, 30%,20% and 20% of the grants vesting in each year commencing from the start date of the first tranche for four year options and full options vesting in a year for one year options.
	Performance condition:
	Subject to eligible employees meeting the specified performance conditions.

Movement of options outstanding under ESOP

Particulars	March 31, 2019		March 31, 2018	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	17,981,734	141.15	26,777,878	133.09
Granted During the period	1,692,115	140.25	3,147,750	162.42
Exercised during the year	1,031,522	56.69	2,616,230	54.51
Expired during the year	5,997,878	152.06	9,327,664	149.51
Outstanding at the end of the year	12,644,449	142.74	17,981,734	141.15
Options exercisable at the end of the year	6,321,259	136.36	5,482,908	122.78

Particulars	March 31, 2019	March 31, 2018
Range of exercise price (₹)	40 to 184	40 to 184
Weighted average remaining contractual life (in years)	2.98	3.69
Weighted average fair value of options granted	36.66	46.45
Weighted average market price of shares on the date of exercise (₹)	141.45	154.43

Fair value methodology

The fair value of options is computed on the date of the grant, using Black-Scholes options pricing model with the following inputs.

					Fair Value of the Option (₹)			
Grant	Grant Date	Risk Free Interest Rate	Expected Life(In years)	Expected Volatility	1st Stage	2nd Stage	3rd Stage	4th Stage
Grant 6	26-Apr-10	6.50% to 7.25%	3.33 to 5.33	37% to 40%	6.75	8.34	10.09	12.27
Grant 7	27-Oct-10	7.25% to 7.50%	3.33 to 5.33	35% to 40%	8.70	10.83	13.06	15.84
Grant 8	13-May-11	7.9% to 8.05%	2.58 to 5.58	38% to 41%	9.41	11.66	13.79	16.11
Grant 9	2-Nov-11	8.40% to 8.65%	2.58 to 5.58	38% to 40%	9.34	12.20	14.26	16.19
Grant 10	9-May-12	8.01% to 8.25%	2.58 to 5.58	39% to 42%	3.28	4.41	6.00	7.25
Grant 11	7-Nov-12	7.89% to 8%	2.67 to 5.67	38% to 42%	3.87	4.84	6.65	7.97
Grant 12	4-May-13	7.12% to 7.23%	2.67 to 5.67	33% to 37%	2.92	5.07	6.31	7.99
Grant 13	15-Nov-13	8.50% to 8.68%	2.64 to 5.67	34% to 39%	4.34	7.08	8.53	9.93
Grant 14	9-May-14	8.38% to 8.60%	2.64 to 5.67	33% to 38%	8.56	11.59	13.38	15.68
Grant 15	12-Nov-14	8.50% to 8.68%	2.64 to 5.67	35% to 39%	7.80	11.66	14.41	16.50
Grant 16	7-May-15	7.74% to 7.79%	2.67 to 5.67	33% to 37%	10.46	14.58	18.40	20.67
Grant 17	7-Aug-15	7.69% to 7.89%	2.67 to 5.67	36% to 39%	16.73	20.61	25.33	27.90
Grant 18	6-Nov-15	7.43% to 7.64%	2.67 to 5.67	33.80% to 37%	16.00	18.79	23.55	26.87
Grant 19	1-Jul-16	7.03% to 7.34%	2.50 to 5.50	23.60% to 26%	40.66	53.39	61.83	70.45
Grant 20	4-Jul-16	7.03% to 7.32%	2.58 to 5.58	23.40% to 26%	42.76	55.99	64.60	73.44
Grant 21	5-Aug-16	6.78% to 7.04%	2.58 to 5.58	22.80% to 26%	38.63	51.40	59.26	67.35
Grant 22	10-Sep-16	6.71% to 6.91%	2.58 to 5.58	22% to 25%	40.22	53.26	62.47	70.88
Grant 23	21-Oct-16	6.70% to 7.00%	2.50 to 5.50	23.10% to 39.20%	40.45	52.49	61.08	87.23
Grant 24	1-Feb-17	6.45% to 6.84%	2.58 to 5.58	22.20% to 24.70 %	35.88	47.18	55.01	63.46
Grant 25	5-May-17	6.24% to 6.59%	2.56 to 5.66	19.48% to 22.55%	31.50	40.25	50.31	57.50
Grant 26	16-Aug-17	6.63% to 7.00%	2.58 to 5.58	20.23% to 23.42%	34.67	44.59	54.48	62.98

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					Fair Value of the Option (₹)			
Grant	Grant Date	Risk Free Interest Rate	Expected Life(In years)	Expected Volatility	1st Stage	2nd Stage	3rd Stage	4th Stage
Grant 27	31-Jan-18	6.87% to 7.45%	2.50 to 5.51	18.00% to 21.62%	28.39	37.69	48.24	55.83
Grant 28	27-Apr-18	7.31 % to 7.83 %	2.51 to 5.52	16.45 % to 21.39%	30.22	40.82	50.18	59.30
Grant 29	27-Jul-18	7.51 % to 7.93%	2.52 to 5.52	15.79% to 21.29%	28.19	38.13	46.51	55.35
Grant 30	27-Jul-18	7.51%	2.52	15.79%	28.19	NA	NA	NA
Grant 31	2-Nov-18	7.39% to 7.71%	2.50 to 5.51	14.87% to 21.23%	22.40	30.49	37.19	44.39
Grant 32	2-Nov-18	7.39%	2.5	14.87%	22.40	NA	NA	NA

41 Additional Information as required by Reserve Bank of India, Master Direction - Core Investment Companies (Reserve Bank) Directions, RBI/DNBR/2016-17/39, Master Direction DNBR. PD. 003/03.10.119/2016-17, August 25, 2016

As mentioned in the basis of preparation detailed in Note 2 to these standalone financial statements, the Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended, from April 1, 2018 and consequently these standalone financial statements for the year ended March 31, 2019 has been prepared under Ind AS.

The regulatory disclosures contained in Note 34.2 and Note 41 are required to be disclosed in the financial statements by the Company in accordance with the requirements of the Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company Directions, 2016 dated September 1, 2016 read with the applicable guidance / regulations issued by the RBI in this regard.

Pursuant to adoption of Ind AS by NBFCs, the RBI has not provided clarification on the basis / manner of computation of these regulatory disclosures as per the extant regulations which require presentation of various information in the notes to the Company's financial statements. In the absence of such clarification from RBI, the Company has prepared the disclosures contained in Note 34.2 and Note 41 to these standalone financial statements in accordance with the erstwhile Indian GAAP requirements / policies followed by the Company till the year ended March 31, 2018 read with the extant provisions including framework on prudential norms, and other related circulars etc., issued by the RBI till March 31, 2018 which has been referred to as 'Previous GAAP / Regulatory GAAP' in Note 2 and has identified the material / significant adjustments necessary to the Ind AS financial statements for the year ended March 31, 2019 to arrive at the related Pro forma Previous GAAP amounts.

The information required for the preparation of the financial information for the year ended March 31, 2019 in accordance with the Previous GAAP have been compiled and certified by the management, and has been relied upon by the auditors. Accordingly, such pro forma financial information under previous GAAP is used for presentation of the regulatory disclosures required as per Master Direction mentioned above in Note 34.2 and Note 41.

			As at March 31, 2019
Sl. No.	Particulars	Amount Outstanding	Amount overdue
Liabilities side:			
1	**Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:**		
	(a) Debentures :		
	Secured		
	Unsecured		
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans		
	(d) Inter-corporate loans and borrowing		
	(e) Commercial Paper		
	(f) Other Loans (specify nature)		

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Sl. No.	Particulars	Amount Outstanding
	Assets side:	
2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
	(a) Secured	-
	(b) Unsecured	-
3	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	Nil
	(b) Operating lease	
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	
4	**Break-up of Investments :**	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	
	(i) Shares :	
	(a) Equity	
	(b) Preference	Nil
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	

Sl. No.	Particulars	Amount Outstanding
	Long Term investments :	
	1. Quoted :	Nil
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	
	(i) Shares : (a) Equity	146,685.89
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

5 Borrower group-wise classification of assets financed as in (2) and (3) above :

	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	other than related parties			
	Total	-	-	-

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	146,685.89	146,685.89
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	Other than related parties	-	-
	Total	**146,685.89**	**146,685.89**

7 Other information

Sl. No.	Particulars	Amount Outstanding
i)	Gross Non-Performing Assets	Nil
	(a) Related parties	
	(b) Other than related parties	
(ii)	Net Non-Performing Assets	Nil
	(a) Related parties	
	(b) Other than related parties	
(iii)	Assets acquired in satisfaction of debt	Nil

Notes:

1. As defined in Core Investment Companies (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (4) above.

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Additional Information as required by Reserve Bank of India, Master Direction - Core Investment Companies (Reserve Bank) Directions, RBI/DNBR/2016-17/39, Master Direction DNBR. PD. 003/03.10.119/2016-17, August 25, 2016

Sl. No.	Particulars	As at March 31, 2018 Amount Outstanding	Amount overdue
Liabilities side:			
1	**Loans and advances availed by the CIC inclusive of interest accrued thereon but not paid:**		
	(a) Debentures :		
	Secured		
	Unsecured		
	(other than falling within the meaning of public deposits*)	Nil	Nil
	(b) Deferred Credits		
	(c) Term Loans		
	(d) Inter-corporate loans and borrowing		
	(e) Commercial Paper		
	(f) Other Loans (specify nature)		

Sl. No.	Particulars	Amount Outstanding
Assets side:		
2	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**	
	(a) Secured	-
	(b) Unsecured	12,170.00
3	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	
	(i) Lease assets including lease rentals under sundry debtors :	Nil
	(a) Financial lease	
	(b) Operating lease	
	(ii) Stock on hire including hire charges under sundry debtors:	Nil
	(a) Assets on hire	
	(b) Repossessed Assets	
	(iii) Other loans counting towards AFC activities	Nil
	(a) Loans where assets have been repossessed	
	(b) Loans other than (a) above	
4	**Break-up of Investments :**	
	Current Investments :	
	1. Quoted :	Nil
	(i) Shares : (a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	Nil
	(i) Shares :	
	(a) Equity	
	(b) Preference	
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Sl. No.	Particulars	Amount Outstanding
	Long Term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	
	(b) Preference	Nil
	(ii) Debentures and Bonds	
	(iii) Units of mutual funds	
	(iv) Government Securities	
	(v) Others (please specify)	
	2. Unquoted :	
	(i) Shares : (a) Equity	1,46,685.89
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-

5 Borrower group-wise classification of assets financed as in (2) and (3) above :

	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries *	-	12,170.00	12,170.00
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	other than related parties			
	Total	**-**	**12,170.00**	**12,170.00**

* No specific provisions are made against these exposures.

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	1,46,685.89	1,46,685.89
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	Other than related parties	-	-
	Total	**1,46,685.89**	**1,46,685.89**

7 Other information

Sl. No.	Particulars	Amount Outstanding
i)	Gross Non-Performing Assets	Nil
	(a) Related parties	
	(b) Other than related parties	
(ii)	Net Non-Performing Assets	Nil
	(a) Related parties	
	(b) Other than related parties	
(iii)	Assets acquired in satisfaction of debt	Nil

As per Master Directions, no specific non-performing asset provision is required to be made on these disclosures under Previous GAAP.

Notes:

1. As defined in Core Investment Companies (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (4) above.

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

42 First time adoption of Ind AS

Transition to Ind AS

These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Property Plant and Equipment

The Company has elected to continue with the carrying value for all of its property, plant and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date.

Lease Arrangements

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease, and this assessment should be carried out at the inception of the contract or arrangement. However the Company has used INDAS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Share Based payments

The Company has not applied Ind AS102 "Share based payments" for the equity instruments vested before the date of transition to Ind AS and for the liabilities arising from share based payment transactions that were settled before the transition date to Ind ASs.

Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition.

Investment in subsidiaries

The Company has elected to measure investments in subsidiaries at cost.

A. Reconciliation of total equity as at March 31, 2018 and April 1, 2017

Particulars	Note Reference	March 31, 2018	April 1, 2017
Total Net worth as per IGAAP		169,479.11	167,509.73
Employee Stock Option Scheme	1	5,980.22	3,095.06
Fair valuation impact of Corporate guarantees issued for loans availed by subsidiary company and trusts (Net)	2	1,882.95	1,332.34
Remeasurement of actuarial gains or losses	3	-2.34	-
Deferred tax impact on the above		4.66	35.51
Total		**177,344.60**	**171,972.64**
Other comprehensive income		1.66	-
Share application money		66.67	26.90
Total Net Worth under Ind AS (Total comprehensive income)		**177,412.93**	**171,999.54**

Notes Forming Part of Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Profit Reconciliation for the year ended March 31, 2018		
Particulars	**Note Reference**	**March 31, 2018**
Profit as per IGAAP		543.44
Employee Stock Option Scheme		
ESOP Cost - Fair valuation of stock options issued to the employees of the company	1	-4.36
Income on Fair valuation of Corporate guarantees issued for loans availed by subsidiary company and OD against FD by EDK/EDIT	2	647.35
Impairment of financial instruments	4	88.95
Interest expenses on corporate guarantee	2	-185.69
Remeasurement of actuarial gains or losses		-2.34
Deferred Tax impact on the above		-30.85
Total		**513.06**
Profit after tax as per Ind AS		1,056.50
Other Comprehensive income		1.66
Total Comprehensive income as per IND AS		**1,058.16**

Notes

1. Employee cost option Scheme

The employee stock option scheme is administered by the company and issued to employees of the company and its subsidiary company. Under IGAAP, the options were valued at intrinsic value per option. Under IND AS, the company has valued the options issued for both holding company and subsidiary company at fair value based on the valuation report taken by the company. The options issued to the employees of subsidiary company are treated as an investment made by the holding company to the extent of difference between the fair value and the cost recharged to the subsidiary company.

2. Fair valuation of corporate guarantee

Under IGAAP, interest free loans, corporate guarantees are accounted at transaction cost on initial recognition and subsequently measured based on contractual cash flows. Under IND AS, the interest free/ concessional rate loans and guarantees are fair valued on initial recognition and subsequently measured at amortised cost.

3. Remeasurement of actuarial gains or losses

Under Indian GAAP, the Company recognized actuarial gains/losses on defined benefit plans in the income statement. Under Ind AS, the Company has recognized the actuarial gains/losses relating to retirement benefit plans in other comprehensive income. Thus, employee benefits expense is reduced and is recognised in Other Comprehensive Income during the year ended March 31, 2018. However, this has no impact on total comprehensive income and total equity.

4. Impairment of financial instruments

Under Indian GAAP, the Company has provided for loans based on the income recognition and classification norms as prescribed by RBI under an incurred loss model. Under IND AS, the company has provided for impairment of the financial instruments based on the expected credit loss model by the Company based on probability of default, loss given default and exposure at default.

43 Figures under previous GAAP have been regrouped/ reclassified for IND AS purpose wherever applicable.

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place : Chennai
Date : 10 May 2019

For and on behalf of Board of Directors of

Equitas Holdings Limited

N Rangachary
Chairman
DIN:00054437

S Bhaskar
ED and CEO
DIN:00010000

S Viswanatha Prasad
Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place : Chennai
Date : 10 May 2019

Independent Auditor's Report

To the Members of Equitas Holdings Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Equitas Holdings Limited(hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including Statement of other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of a subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 financial statements under the provisions of the Act and the Rules thereunder, 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 on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Provision for Financial Instruments based on expected credit loss model	
The Company and Equitas Small Finance Bank Limited, a subsidiary of EHL, provides loans and advances to its customers and other entities in the Group, which form a material portion of the Group's assets. As per the expected credit loss model prescribed under Ind-AS 109, entities are required to estimate the probability of loss / expected loss based on past experience and future considerations. There is a risk that inappropriate impairment provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying loans and advances into various stages stipulated in Ind-AS 109 and determining related provision requirements, this audit area is considered a key audit risk.	• We gained an understanding of the Group's credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes • We read the Group's Ind-AS 109 impairment provisioning policy and compared it with the requirements of Ind-AS 109 as well as relevant regulatory guidelines and pronouncements • For expected credit loss provision against outstanding exposures classified across various stages, we obtained an understanding of the Group's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management. We performed sample tests of the staging of outstanding exposures prepared by management as compared to the Group's policy • We tested on a sample basis, the Exposure at Default used in the ECL calculation

Key audit matters	How our audit addressed the key audit matter
As at March 31, 2019, the Group's gross advance and nonfunded exposures amounted to ₹ 11,844 crore and the related impairment provisions / write off amounted to ₹ 156 crore. The impairment provision policy is presented in the accounting policies, and in Note 3.5 to the financial statements.	• We obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults and the loss given defaults for various homogenous segments and tested the same on a sample basis; • We obtained an understanding of the basis and methodology adopted by management to determine loss given defaults for various homogenous segments based on past recovery experience, qualitative factors etc., and tested the same on a sample basis • We discussed with management, the assumptions used in their Expected Credit Loss ("ECL") calculations, and compared them to publicly available information • We tested the data used in the impairment computation (including the data integrity of information extracted from the Group's IT systems) • We enquired with the management regarding significant judgments and estimates involved in the impairment computation and evaluated the reasonability of such estimates made in accordance with Ind AS 109; and • We performed analytical reviews of disaggregated data to identify any unusual trends warranting additional audit procedures
(b) IT Systems and Controls	
There has been a major enhancement in the information technology (IT) infrastructure of the Equitas Small Finance Bank's (a subsidiary company) (the 'Bank'), in the current year. During the current year, as the IT systems and processes continue to mature in view of the evolving business and regulatory landscape, frequent changes in the technology environment have been carried out by the Bank. The IT infrastructure is critical for effective and efficient functioning of the Bank's business operations as well as for timely and accurate financial reporting. Accordingly, the Bank has continued to invest in its IT infrastructure in the current year as well. Due to the pervasive nature and complexity of the IT environment and considering that several systems and process have been implemented in recent past, and as a result the IT control environment may not have matured, it is considered a key audit matter.	• We included specialized IT auditors as part of our audit team for testing IT general controls, application controls and IT dependent manual controls implemented by the Bank, and testing the information produced by the Bank's IT systems. • We tested the design and operating effectiveness of the Bank's IT access controls over the key information systems that are related to financial reporting. • We tested IT general controls in the nature of controls over logical access, changes management, and other aspects of IT operational controls. These included testing that requests for access to systems were reviewed and authorized. • We considered the control environment relating to various interfaces, configuration and other application controls identified as key to our audit. • In addition, we tested the key application controls to evaluate their operating effectiveness. • If deficiencies were identified, we tested compensating controls or performed alternate procedures

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this

other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated Ind AS financial statements 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 consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the respective entities included in the Group are also responsible for overseeing the financial reporting process of the relevant entities.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements 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 these consolidated Ind AS financial statements.

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 consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 management.

Conclude on the appropriateness of management'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 Group 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 consolidated Ind AS financial statements 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 Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the

direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of ₹ 1.22 crore as at March 31, 2019, and total revenues of ₹ 1.81 crore and net cash outflows/(inflows) of ₹ 3.31 crore for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure 1" to this report;

The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries, associates and jointly controlled companies/joint ventures and joint operations incorporated in India for the year ended March 31, 2019

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on

the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 39 to the consolidated Ind AS financial statements;

The Group did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended March 31, 2019.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place of Signature: Chennai
Date: May 10, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EQUITAS HOLDINGS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Equitas Holdings Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Equitas Holdings Limited (hereinafter referred to as the "Holding Company" or "EHL") and Equitas Small Finance Bank Limited, a subsidiary company of EHL, (together referred to as "Applicable Companies"). EHL's other subsidiary Equitas Technologies Private Limited is exempted from reporting on internal control over financial reporting vide MCA notification no G.S.R 583 (E) dated June 13, 3017, read with corrigendum dated July 13, 2017.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Applicable Companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies' policies, the safeguarding of their assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Applicable Companies' internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management

and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Applicable Companies have maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to one subsidiary, which is a company incorporated in India, is based on the report of the auditor of such subsidiary.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership Number: 211107

Place of Signature: Chennai
Date: May 10, 2019

Consolidated Balance Sheet

as at March 31, 2019
(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31-Mar-2019	As at 31-Mar-2018	As at 01-Apr-2017
Assets				
Financial assets				
Cash and cash equivalents	6	**1,25,538**	1,14,831	99,587
Bank balance other than cash and cash equivalents	7	**530**	6,432	12,752
Loans and advances	8	**11,57,437**	7,85,509	6,13,865
Investment	9	**2,34,590**	3,85,748	1,89,485
Other Financial Asset	10	**8,799**	9,248	13,124
Non-financial assets				
Current tax asset (Net)		**1,448**	689	954
Deferred tax asset	30	**12,343**	7,787	4,493
Other non-financial assets	11	**1,431**	1,436	1,262
Property, plant and equipment	10(i)	**16,782**	21,251	20,005
Capital work in Progress	10(ii)	**162**	222	1,484
Other intangible assets	10(i)	**6,815**	6,772	7,413
Investment Property	10b	**5,450**	4,800	3,926
Total Assets		**15,71,325**	**13,44,725**	**9,68,350**
Liabilities and equity				
Financial liabilities				
Trade Payables				
Total outstanding dues of creditors other than micro enterprises and small enterprises	11(i)	**8,426**	7,174	6,864
Debt securities	12	**47,904**	2,00,162	2,81,246
Borrowings (other than debt securities)	13	**3,49,238**	3,19,934	2,29,143
Deposits	14	**8,82,871**	5,55,126	1,88,582
Other financial liabilities	15	**31,026**	28,824	36,805
Non-financial liabilities				
Current tax liabilities (Net)		**149**	102	261
Provisions	16	**6,448**	7,349	5,668
Other Non-financial liabilities	17	**893**	1,030	741
Total liabilities		**13,26,955**	**11,19,701**	**7,49,310**
Equity				
Equity share capital	18	**34,146**	34,043	33,781
Other equity	19	**2,10,224**	1,90,979	1,85,259
Equity attributable to owners of the company		**2,44,370**	**2,25,022**	**2,19,040**
Non controlling interest		**0**	**2**	**-**
Total Liability and Equity		**15,71,325**	**13,44,725**	**9,68,350**
Summary of significant accounting policies	3			

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place: Chennai
Date: May 10, 2019

For and on behalf of Board of Directors of
Equitas Holdings Limited

N Rangachary
Chairman
DIN:00054437

S Bhaskar
ED and CEO
DIN:00010000

S Viswanatha Prasad
Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place: Chennai
Date: May 10, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019
(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Note No.	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
I. Revenue from operations			
Interest income	20	**2,19,464**	1,61,195
Revenue from contract with customers	21	**7,524**	4,568
Net gain on fair value changes	22	**327**	-1,030
Rental income	23	**215**	-
Total revenue from operations		**2,27,530**	**1,64,733**
Other income	24	**8,323**	13,235
Total income		**2,35,853**	**1,77,968**
Expenses			
Finance costs	25	**95,893**	66,912
Impairment on Financial assets	26	**10,129**	16,208
Employee benefits expenses	27	**56,766**	54,985
Depreciation, amortisation and impairment	10(i)	**9,276**	8,913
Others expenses	28	**36,658**	29,060
Total Expense		**2,08,722**	**1,76,078**
Profit before tax		**27,131**	**1,890**
Tax Expenses			
Current tax	29	**14,052**	3,900
Deferred tax (Net)	29	**-4,578**	-3,375
Total tax expenses		**9,474**	**525**
Profit for the year		**17,657**	**1,365**
Other Comprehensive Income:			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit obligations (net)		**55**	78
Income tax impact		**-21**	-136
Debt instruments measured at FVOCI		**6**	313
Total Other comprehensive Income for the year, net of tax		**40**	**255**
Total comprehensive Income for the year, net of tax		**17,697**	**1,620**
Net profit for the year attributable to			
Owners of the company		**17,659**	1,368
Non-controlling interest		**-2**	-3
Total comprehensive income for the year attributable to			
Owners of the company		**17,699**	1,623
Non-controlling interest		**-2**	-3
Earnings per equity share			
Basic earnings per equity share	31	**5.18**	0.40
Diluted earnings per equity share	31	**5.18**	0.40
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place: Chennai
Date: May 10, 2019

For and on behalf of Board of Directors of
Equitas Holdings Limited

N Rangachary
Chairman
DIN:00054437

S Bhaskar
ED and CEO
DIN:00010000

S Viswanatha Prasad
Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place: Chennai
Date: May 10, 2019

Consolidated Cashflow Statement

for the year ended March 31, 2019
(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flow From Operating Activities		
Profit before tax	**27,131**	1,890
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	**9,276**	8,913
Net gain on fair value change	**-327**	1,030
Impairment on Financial assets	**10,129**	16,208
Re-measurement gains/(losses) on defined benefit obligations (net)	**55**	78
Impact on Effective interest rate (EIR) on financial assets	**5,673**	2,123
Fair valuation impact on financial assets	**-961**	-394
Fair valuation on financial guarantee received	**-111**	-1,470
Rental income	**-215**	-
Loss on sale of property, plant and equipment	**11**	15
Interest expenses on borrowings	**45,919**	43,800
Employee expenses on share based payments	**1,262**	2,890
Operating profit before working capital changes	**97,842**	**75,083**
(Increase)/decrease in loans and advances	**-3,86,394**	-1,87,446
(Increase)/decrease in investments	**1,51,576**	-1,97,157
(Increase)/decrease in other financial assets	**652**	3,977
(Increase)/decrease in other non-financial assets	**-197**	-393
Increase/(decrease) in deposits	**3,27,746**	3,66,549
Increase/(decrease) in trade payables	**1,252**	310
Increase/(decrease) in provisions	**-334**	2,287
Increase/(decrease) in financial liabilities	**5,923**	-9,722
Increase/(decrease) in non-financial liabilities	**-137**	291
Cash used in operations	**1,97,929**	**53,779**
Direct taxes paid	**-14,763**	-3,849
Net Cash flow used in from/(used in) operating activities (A)	**1,83,166**	49,930
B. Cash Flow From Investing Activities		
Addition to fixed assets	**-5,417**	-10,163
Addition to investment property	**-728**	-938
Proceeds from sale of property, plant and equipment	**693**	1,956
(Increase)/decrease in bank balance other than cash and cash equivalents	**5,902**	6,320
Net Cash flow used in from/(used in) Investing Activities (B)	**450**	**-2,825**
C. Cash Flow From Financing Activities		
Increase/(decrease) in borrowings (net)	**-1,23,249**	9,332
Interest paid on borrowings	**-50,207**	-42,668
Proceeds from fresh issue of equity share capital, including securities premium	**585**	1,435
Share application money received	**-38**	40
Net Cash flow used in from/(used in) Financing Activities (C)	**-1,72,909**	**-31,861**
Net Increase/Decrease in cash and cash equivalent D = (A+B+C)	**10,707**	**15,244**
Cash and Cash Equivalents - Opening Balance (E)	**1,14,831**	99,587
Cash and Cash Equivalents - Closing Balance (D) + (E)	**1,25,538**	**1,14,831**
Net cash provided by / (used in) operating and financing activities		
Interest received	**2,19,705**	1,62,210
Interest paid	**-50,207**	-42,668
Components of Cash and Cash Equivalents at the end of the year		
Cash and cash equivalents	**1,25,538**	1,14,831
Bank balance other than cash and cash equivalents		
Bank deposits with an original maturity of more than three months or Bank deposits under lien	**-**	-
Total Cash and Cash Equivalents	**1,25,538**	**1,14,831**

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place: Chennai
Date: May 10, 2019

For and on behalf of Board of Directors of
Equitas Holdings Limited

N Rangachary
Chairman
DIN:00054437

S Bhaskar
ED and CEO
DIN:00010000

S Viswanatha Prasad
Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place: Chennai
Date: May 10, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019
(All amounts are in lakh of Indian Rupees, unless otherwise stated)

(a) Equity share capital

Particulars	No. of shares	Amount
Opening balance as on April 1, 2017	**33,78,13,746**	**33,781**
Add: Shares issued during the year	26,16,230	262
Balance as on March 31, 2018	**34,04,29,976**	**34,043**
Add: Shares issued during the year	10,31,522	103
Balance as on March 31, 2019	**34,14,61,498**	**34,146**

(b) Other equity

Particulars	Reserves and Surplus								Share application money	Items of Other Comprehensive Income (OCI)	Total	Non controlling interest
	Statutory Reserve	Capital reserve	Securities premium	Special Reserve	Investment reserve	Investment Fluctuation Reserve	Share based payment reserve	Retained Earnings		FVTOCI Reserve		
As at April 01, 2017	**12,916**	**1,328**	**1,38,807**	**259**	**-**	**-**	**3,102**	**29,051**	**27**	**-231**	**1,85,259**	**-**
Profit for the year	-	-	-	-	-	-	-	1,365	-	-	1,365	-1
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	255	255	-
Sub total	**12,916**	**1,328**	**1,38,807**	**259**	**-**	**-**	**3,102**	**30,416**	**27**	**24**	**1,86,879**	**-1**
Transfer from retained earnings to Statutory Reserves	904	-	-	-	-	-	-	-904	-	-	-	-
Transfer from retained earnings to Special reserve	-	-	-	67	-	-	-	-67	-	-	-	-
Transfer from retained earnings to Investment reserve	-	-	-	-	230	-	-	-230	-	-	-	-
Minority interest created	-	-	-	-	-	-	-	7	-	-	7	3
Addition on account of ESOP cost	-	-	-	-	-	-	2,890	-	-	-	2,890	-
Premium on issue of share capital under ESOP Scheme	-	-	1,515	-	-	-	-	-	-1,426	-	89	-
Share application money received	-	-	-	-	-	-	-	-	1,466	-	1,466	-
Transfer of ESOP cost to retained earnings upon lapse of options	-	-	-	-	-	-	-1,152	1,152	-	-	-	-
Transfer of ESOP cost to securities premium upon exercise	-	-	-	-	-	-	-352	-	-	-	-352	-
As at March 31, 2018	**13,820**	**1,328**	**1,40,322**	**326**	**230**	**-**	**4,488**	**30,374**	**67**	**24**	**1,90,979**	**2**
Profit for the year	-	-	-	-	-	-	-	17,659	-	-	17,659	-2
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	40	40	
Sub total	**13,820**	**1,328**	**1,40,322**	**326**	**230**	**-**	**4,488**	**48,033**	**67**	**64**	**2,08,678**	**0**
Transfer from retained earnings to Statutory Reserves	5,451	-	-	-	-	-	-	-5,451	-	-	-	-
Transfer from retained earnings to Special reserve	-	-	-	264	-	-	-	-264	-	-	-	-
Transfer from retained earnings to Investment Fluctuation reserve	-	-	-	-	-	843	-	-843	-	-	-	-
Addition on account of ESOP cost	-	-	-	-	-	-	1,102	-	-	-	1,102	-
Premium on issue of share capital under ESOP Scheme	-	-	626	-	-	-	-	-	-585	-	41	-
Share application money received	-	-	-	-	-	-	-	-	547	-	547	-
Transfer of ESOP cost to retained earnings upon lapse of options	-	-	-	-	-	-	-1,635	1,635	-	-	-	-
Transfer of ESOP cost to securities premium upon exercise	-	-	-	-	-	-	-144	-	-	-	-144	-
As at March 31, 2019	**19,271**	**1,328**	**1,40,948**	**590**	**230**	**843**	**3,811**	**43,110**	**29**	**64**	**2,10,224**	**0**

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place: Chennai
Date: May 10, 2019

For and on behalf of Board of Directors of
Equitas Holdings Limited

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S Viswanatha Prasad
Director
DIN:00574928

Srimathy R
Chief Financial Officer

Deepti R
Company Secretary
A35488

Place: Chennai
Date: May 10, 2019

Notes to the Consolidated Financial Statement

1 Corporate information

Equitas Holdings Limited ("the Company" / "EHL") was incorporated on June 22, 2007. The Company is a public limited Company incorporated under the provisions of Companies Act 1956. The registered office of the Company is located at 410A, 4th Floor, Spencer Plaza, Phase II, Anna Salai, Chennai – 600 002. The Company received certificate of registration dated September 1, 2016 from the Reserve Bank of India ("RBI") to commence / carry on the business as a Non-Banking Financial Institution .

The Company is a non-deposit taking Systemically Important Core Investment Group (CIC-ND-SI) registered with Reserve Bank of India vide certificate no. N-07.00822. The Company is the holding Company of its wholly owned subsidiaries Equitas Small Finance Bank Limited and Equitas Technologies Private Limited (collectively, the 'Group').

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first the Group has prepared in accordance with Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVTOCI) instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Lakh, except when otherwise indicated.

Principals of Consolidation

The Consolidated Financial Statements relating to Equitas Holdings Limited and its Subsidiaries, have been prepared on the following basis:

a The Financial Statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating material intra-group balances and intra-group transactions resulting in unrealised profits or losses unless cost cannot be recovered, as per IND AS 110 – Consolidated Financial Statements.

b The Financial Statements of the Subsidiaries used in the Consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March 2019.

c The excess of Cost to the Company of its Investment in the Subsidiaries over the Company's portion of the Equity is recognised in the Financial Statements as Goodwill, being an asset in the Consolidated Financial Statement. The carrying value of Goodwill is tested for impairment as at the end of each reporting year. The goodwill is determined separately for each subsidiary Company and such amounts are not set off between different entities.

d The excess of the Company's portion of Equity of the Subsidiaries on the acquisition date over its Cost of Investment is treated as Capital Reserve.

The financial statements of the following subsidiary companies have been considered for consolidation:

Name of Entity	Relationship	Country of Incorporation	% of holding
Equitas Small Finance Bank Limited	Subsidiary	India	100%
Equitas Technologies Pvt Ltd	Subsidiary	India	99.52%

2.1 Presentation of financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 37.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

3 Significant accounting policies

3.1 Financial instruments – initial recognition

3.1.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings

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are initially recognised on the transaction date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. The Group recognises debt securities, deposits and borrowings when funds reach the Group.

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

3.1.3 Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost,
- FVTOCI,
- FVTPL

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or FVTPL when fair value designation is applied.

3.2 Financial assets and liabilities

3.2.1 Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Group measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

3.2.1.1 Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

- The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.2.1.2 The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3.2.2 Financial assets or financial liabilities held for trading

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded

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in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

3.2.3 Debt instruments at FVTOCI

Debt instruments are measured at FVTOCI when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets

The contractual terms of the financial asset meet the SPPI test

FVTOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

3.2.4 Equity instruments at FVTOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

3.2.5 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the Effective Interest Rate ('EIR').

3.2.6 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

3.2.7 Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the Expected Credit Loss ('ECL') requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

3.3 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in FY 2018-19 and FY 2017-18.

3.4 Derecognition of financial assets and liabilities

3.4.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes

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When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers the following factors:

- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

3.4.2 Derecognition of financial assets other than due to substantial modification

3.4.2.1 Financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients

The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

3.4.3 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5 Impairment of financial assets

3.5.1 Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL)).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs.

3.5.2 The calculation of ECL

The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred,.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

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Loan commitment For an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised along with advances

3.5.3 Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as

- GDP growth
- Unemployment rates
- House price indices

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.6 Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes is in the form of real estate. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a regular basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

3.7 Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy.

3.8 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

3.9 Forborne and modified loans

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Group also reassesses whether there has been a significant increase in credit risk. The Group also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria.

- All of its facilities has to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period

The customer does not have any contract that is more than 30 days past due. If modifications are substantial, the loan is derecognised.

3.9.1 Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVTOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

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3.10 Determination of fair value

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- **Level 1 fina**ncial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- **Level 2 financial instruments –** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.
- **Level 3 financial instruments –** Those that include one or more unobservable input that is significant to the measurement as whole.

3.11 Recognition of interest income

3.11.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVTOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

3.11.2 Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

3.12 Recognition of income and expenses

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind AS.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

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Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

3.12.1 Dividend Income

Dividend income (including from FVTOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

3.12.2 Leasing

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

3.13.1 Group as a lessee

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

3.14 Cash and cash equivalents

Cash and cash equivalents comprises of Cash in Hand, demand deposits with other banks and Balances with RBI and Balances with Banks and Money at Call and Short Notice.

Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.15 Property, plant and equipment

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

Asset	Estimated useful life as assessed by the Company	Estimated useful life specified under Schedule II of the Companies Act 2013
Office Equipment	3 Years	5 Years
Computer Equipment	3 Years	3 years
Furniture and Fixtures	3 Years	10 years
Vehicles	4 Years	8 Years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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3.16 Impairment of non–financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss. For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.17 Financial guarantees

Financial guarantees are initially recognised in the financial statements (within 'other liabilities') at fair value, being the premium received. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss in credit loss expense. The premium received is recognised in the statement of profit and loss in net fees and commission income on a straight line basis over the life of the guarantee.

3.18 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

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- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

3.19 Share based payments

Employee stock compensation cost for stock options is recognised as per the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India and IND AS 102. The Group measures compensation cost relating to the employee stock options using the fair value method. The compensation cost, if any, is amortised uniformly over the vesting period of the options. The Group initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred at the time of grant. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 48.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

3.21 Taxes

3.21.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.21.2 Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.21.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.22 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

4.2 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that

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represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.3 Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

4.4 Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

5 Standard Issued but not yet effective

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company continues to evaluate the available transition methods and its contractual arrangements. The Company has established an implementation team to implement Ind AS 116 related to the recognition of ROU asset and lease liability and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
6	**Cash and cash equivalents**			
	Cash on hand	**11,586**	11,593	6,670
	Balances with Reserve Bank of India (In current account)	**28,684**	27,016	18,123
	Balances with bank (in current account)	**6,896**	5,922	32,294
	Money at call and short notice			
	With Banks	**-**	23,000	35,000
	With other institutions	**22,984**	5,000	7,500
	Lending under reverse repo	**55,388**	42,300	-
	Total	**1,25,538**	**1,14,831**	**99,587**
7	**Bank balance other than cash and cash equivalents**			
	Balances with bank			
	In Other deposit account	**-**	1,854	564
	In Other deposit account - Lien	**530**	4,578	12,188
	Total	**530**	**6,432**	**12,752**
8	**Loans and advances**			
	Term loans at amortised cost			
	Micro and small enterprises loan	**4,19,143**	2,39,573	1,20,754
	Vehicle Finance loan	**2,96,138**	2,26,483	1,87,724
	Housing loan	**37,868**	27,177	19,722
	Micro finance loan	**3,07,327**	2,25,924	2,86,494
	Business loan -Unsecured	**35,151**	41,580	6,325
	MSE & Financial Intermediaries	**74,117**	32,626	6,174
	Other loans	**3,239**	3,937	1,463
	Total - Gross	**11,72,983**	**7,97,300**	**6,28,656**
	Less : ECL Impairment allowance (Refer Note 8b below)	**15,546**	11,791	14,791
	Total - Net	**11,57,437**	**7,85,509**	**6,13,865**
	(a) Secured by tangible assets (property, plant and equipment including land and building)	**7,55,203**	4,96,230	3,28,825
	(b) Secured by book debts, inventories, fixed deposit and other working capital items	**74,117**	32,625	6,174
	(c) Unsecured	**3,43,663**	2,68,445	2,93,657
	Total - Gross	**11,72,983**	**7,97,300**	**6,28,656**
	Less : ECL Impairment allowance (Refer Note 8b below)	**15,546**	11,791	14,791
	Total - Net	**11,57,437**	**7,85,509**	**6,13,865**
	A) Loans and Advances			
	Loans repayable on Demand	**27,900**	13,167	6,174
	Term Loans	**11,45,083**	7,84,133	6,22,482
	Total - Gross	**11,72,983**	**7,97,300**	**6,28,656**
	B) Loans and Advances			
	Loans in India	**11,72,983**	7,97,300	6,28,656
	Loans outside India	**-**	-	-
	Total - Gross	**11,72,983**	**7,97,300**	**6,28,656**
8b.	**Movement ECL impairment allowance**			
	ECL impairment allowance - Opening Balance	11,791	14,791	-
	New assets originated or purchased	6,462	11,594	-
	Assets derecognised or repaid (excluding write offs)	-2,859	-3,235	-
	Transfers to Stage 2	-	-	-
	Transfers to Stage 3	-	-	-
	Impact on year end ECLs of exposures transferred between stages during the year	2,278	1,022	-
	Amounts written off	-2,126	-12,381	-
	ECL impairment allowance - Closing Balance	**15,546**	**11,791**	**-**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note 8.1 Micro and small enterprises loan

8.1.1 Credit quality of micro and small enterprises loan

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Internal rating grade												
High	**3,97,803**	**-**	**-**	**3,97,803**	2,25,000	-	-	**2,25,000**	1,09,871	-	-	**1,09,871**
Standard	**5,659**	**984**	**-**	**6,643**	2,879	516	-	**3,395**	4,348	965	-	**5,313**
Potential Sub-Standard	**-**	**3,339**	**-**	**3,339**	-	3,502	-	**3,502**	-	2,344	-	**2,344**
Defaulted but Not impaired	**-**	**-**	**755**	**755**	-	-	714	**714**	-	-	272	**272**
Defaulted And Impaired	**-**	**-**	**10,281**	**10,281**	-	-	6,687	**6,687**	-	-	2,621	**2,621**
Individually impaired	**-**	**-**	**322**	**322**	-	-	275	**275**	-	-	333	**333**
Total	**4,03,462**	**4,323**	**11,358**	**4,19,143**	**2,27,879**	**4,018**	**7,676**	**2,39,573**	**1,14,219**	**3,309**	**3,226**	**1,20,754**

8.1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Micro and small enterprises loan is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Gross Carrying amount opening balance	**2,27,879**	**4,018**	**7,676**	**2,39,573**	1,14,219	3,309	3,226	**1,20,754**
New assets originated or purchased	**2,33,318**	**531**	**333**	**2,34,182**	1,43,365	154	80	**1,43,599**
Assets derecognised or repaid (excluding write offs)	**-53,478**	**-628**	**-463**	**-54,569**	-23,920	-545	-216	**-24,681**
Transfers to Stage 1	**549**	**-294**	**-255**	**-**	346	-319	-27	**-**
Transfers to Stage 2	**-2,541**	**2,715**	**-174**	**-**	-3,104	3,120	-16	**-**
Transfers to Stage 3	**-2,232**	**-2,018**	**4,250**	**-**	-2,993	-1,693	4,686	**-**
Amounts written off	**-33**	**-1**	**-9**	**-43**	-34	-8	-57	**-99**
Gross carrying amount closing balance	**4,03,462**	**4,323**	**11,358**	**4,19,143**	**2,27,879**	**4,018**	**7,676**	**2,39,573**

8.1.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
ECL allowance - opening balance	**138**	**15**	**282**	**435**	89	12	122	**223**
New assets originated or purchased	**51**	**1**	**13**	**65**	35	-	3	**38**
Assets derecognised or repaid (excluding write offs)	**-17**	**-1**	**-28**	**-46**	-6	-1	-3	**-10**
Transfers to Stage 1	**1**	**-1**	**-**	**-**	1	-1	-	**-**
Transfers to Stage 2	**-7**	**8**	**-1**	**-**	-11	11	-	**-**
Transfers to Stage 3	**-86**	**-78**	**164**	**-**	-116	-65	181	**-**
Impact on year end ECLs of exposures transferred between stages during the year	**157**	**70**	**-25**	**202**	158	60	-5	**213**
Amounts written off	**-6**	**-**	**-6**	**-12**	-12	-1	-16	**-29**
ECL allowance - closing balance	**231**	**14**	**399**	**644**	**138**	**15**	**282**	**435**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

8.2 Vehicle Finance loan

8.2.1 Credit quality of vehicle finance loan

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Internal rating grade												
High	**2,24,457**	**-**	**-**	**2,24,457**	1,65,001	-	-	**1,65,001**	1,29,765	-	-	**1,29,765**
Standard	**35,313**	**8,550**	**-**	**43,863**	26,843	6,941	-	**33,784**	25,957	6,596	-	**32,553**
Potential Sub-Standard	**3,380**	**10,712**	**-**	**14,092**	-	14,550	15	**14,565**	-	11,471	25	**11,496**
Defaulted but Not impaired	**-**	**-**	**1,453**	**1,453**	-	-	756	**756**	-	-	1,674	**1,674**
Defaulted And Impaired	**-**	**-**	**11,819**	**11,819**	-	-	12,099	**12,099**	-	-	11,704	**11,704**
Individually impaired	**-**	**-**	**454**	**454**	-	-	278	**278**	-	-	532	**532**
Total	**2,63,150**	**19,262**	**13,726**	**2,96,138**	**1,91,844**	**21,491**	**13,148**	**2,26,483**	**1,55,722**	**18,067**	**13,935**	**1,87,724**

8.2.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Vehicle Finance loan is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Gross Carrying amount opening balance	**1,91,844**	**21,491**	**13,148**	**2,26,483**	1,55,722	18,067	13,935	**1,87,724**
New assets originated or purchased	**1,91,708**	**5,108**	**1,326**	**1,98,142**	1,36,968	4,206	695	**1,41,869**
Assets derecognised or repaid (excluding write offs)	**-1,04,437**	**-14,678**	**-3,518**	**-1,22,633**	-82,589	-11,723	-4,445	**-98,757**
Transfers to Stage 1	**1,200**	**-1,150**	**-50**	**-**	986	-850	-136	**-**
Transfers to Stage 2	**-12,107**	**12,156**	**-49**	**-**	-14,726	14,912	-186	**-**
Transfers to Stage 3	**-4,092**	**-2,935**	**7,027**	**-**	-3,121	-1,941	5,062	**-**
Amounts written off	**-966**	**-730**	**-4,158**	**-5,854**	-1,396	-1,180	-1,777	**-4,353**
Gross carrying amount closing balance	**2,63,150**	**19,262**	**13,726**	**2,96,138**	**1,91,844**	**21,491**	**13,148**	**2,26,483**

8.2.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
ECL allowance - opening balance	**3,194**	**1,066**	**3,789**	**8,049**	3,031	897	4,150	**8,078**
New assets originated or purchased	**2,883**	**193**	**388**	**3,464**	2,076	179	209	**2,464**
Assets derecognised or repaid (excluding write offs)	**-827**	**-365**	**-270**	**-1,462**	-630	-227	-430	**-1,287**
Transfers to Stage 1	**14**	**-13**	**-1**	**-**	16	-14	-2	**-**
Transfers to Stage 2	**-525**	**528**	**-3**	**-**	-746	756	-10	**-**
Transfers to Stage 3	**-1,196**	**-884**	**2,080**	**-**	-953	-584	1,537	**-**
Impact on year end ECLs of exposures transferred between stages during the year	**470**	**436**	**-141**	**765**	557	290	-296	**551**
Amounts written off	**-91**	**-131**	**-1,868**	**-2,090**	-157	-231	-1,369	**-1,757**
ECL allowance - closing balance	**3,922**	**830**	**3,974**	**8,726**	**3,194**	**1,066**	**3,789**	**8,049**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

8.3 Housing loan

8.3.1 Credit quality of housing loan

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Internal rating grade												
High	**33,552**	**-**	**-**	**33,552**	23,295	-	-	**23,295**	16,190	-	-	**16,190**
Standard	**717**	**279**	**-**	**996**	666	223	-	**889**	1,315	297	-	**1,612**
Potential Sub-Standard	**-**	**707**	**-**	**707**	-	1,064	-	**1,064**	-	557	-	**557**
Defaulted but Not impaired	**-**	**-**	**211**	**211**	-	-	127	**127**	-	-	122	**122**
Defaulted And Impaired	**-**	**-**	**2,337**	**2,337**	-	-	1,802	**1,802**	-	-	1,241	**1,241**
Individually impaired	**-**	**-**	**65**	**65**	-	-	-	**-**	-	-	-	**-**
Total	**34,269**	**986**	**2,613**	**37,868**	**23,961**	**1,287**	**1,929**	**27,177**	**17,505**	**854**	**1,363**	**19,722**

8.3.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Housing loan is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Gross Carrying amount opening balance	**23,961**	**1,287**	**1,929**	**27,177**	17,505	854	1,363	**19,722**
New assets originated or purchased	**14,554**	**32**	**14**	**14,600**	11,423	-	-	**11,423**
Assets derecognised or repaid (excluding write offs)	**-3,614**	**-118**	**-167**	**-3,899**	-3,604	-178	-106	**-3,888**
Transfers to Stage 1	**155**	**-109**	**-46**	**-**	94	-89	-5	**-**
Transfers to Stage 2	**-424**	**445**	**-21**	**-**	-938	990	-52	**-**
Transfers to Stage 3	**-354**	**-551**	**905**	**-**	-507	-289	796	**-**
Amounts written off	**-9**	**-**	**-1**	**-10**	-12	-1	-67	**-80**
Gross carrying amount closing balance	**34,269**	**986**	**2,613**	**37,868**	**23,961**	**1,287**	**1,929**	**27,177**

8.3.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
ECL allowance - opening balance	**56**	**8**	**232**	**296**	52	4	167	**223**
New assets originated or purchased	**7**	**-**	**2**	**9**	8	-	-	**8**
Assets derecognised or repaid (excluding write offs)	**-4**	**-**	**-30**	**-34**	-2	-	-3	**-5**
Transfers to Stage 1	**1**	**-1**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-3**	**3**	**-**	**-**	-5	5	-	**-**
Transfers to Stage 3	**-48**	**-71**	**119**	**-**	-66	-37	103	**-**
Impact on year end ECLs of exposures transferred between stages during the year	**67**	**69**	**-13**	**123**	76	36	-10	**102**
Amounts written off	**-3**	**-**	**-3**	**-6**	-7	-	-25	**-32**
ECL allowance - closing balance	**73**	**8**	**307**	**388**	**56**	**8**	**232**	**296**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

8.4 Micro finance loan

8.4.1 Credit quality of micro finance loan

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Internal rating grade												
High	**2,97,826**	**-**	**-**	**2,97,826**	2,22,636	-	-	**2,22,636**	2,69,421	-31	-36	**2,69,354**
Standard	**4,508**	**320**	**-**	**4,828**	926	108	-	**1,034**	4,645	315	-	**4,960**
Potential Sub-Standard	**-**	**1,927**	**-**	**1,927**	-	652	-	**652**	-	4,732	-	**4,732**
Defaulted but Not impaired	**-**	**-**	**14**	**14**	-	-	42	**42**	-	-	48	**48**
Defaulted And Impaired	**-**	**-**	**2,732**	**2,732**	-	-	1,560	**1,560**	-	-	7,400	**7,400**
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	**-**	-	-	-	**-**
Total	**3,02,334**	**2,247**	**2,746**	**3,07,327**	**2,23,562**	**760**	**1,602**	**2,25,924**	**2,74,066**	**5,016**	**7,412**	**2,86,494**

8.4.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Micro finance loan is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Gross Carrying amount opening balance	**2,23,562**	**760**	**1,602**	**2,25,924**	2,74,066	5,016	7,412	**2,86,494**
New assets originated or purchased	**2,38,615**	**1,298**	**350**	**2,40,263**	1,46,562	55	261	**1,46,878**
Assets derecognised or repaid (excluding write offs)	**-1,56,818**	**-1,121**	**-921**	**-1,58,860**	-1,88,930	-1,349	-17,169	**-2,07,448**
Transfers to Stage 1	**-3,028**	**1,835**	**1,193**	**-**	-8,221	1,651	6,570	**-**
Transfers to Stage 2	**3**	**-525**	**522**	**-**	69	-4,619	4,550	**-**
Transfers to Stage 3	**-**	**-**	**-**	**-**	16	6	-22	**-**
Gross carrying amount closing balance	**3,02,334**	**2,247**	**2,746**	**3,07,327**	**2,23,562**	**760**	**1,602**	**2,25,924**

8.4.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
ECL allowance - opening balance	**830**	**6**	**1,090**	**1,926**	1,019	41	5,065	**6,125**
New assets originated or purchased	**1,771**	**361**	**238**	**2,370**	5,046	-37	3,281	**8,290**
Assets derecognised or repaid (excluding write offs)	**-602**	**-9**	**-625**	**-1,236**	-745	-12	-1,169	**-1,926**
Transfers to Stage 1	**-826**	**15**	**811**	**-**	-4,504	14	4,490	**-**
Transfers to Stage 2	**-**	**-355**	**355**	**-**	-1	-	1	**-**
Transfers to Stage 3	**-**	**-**	**-**	**-**	15	-	-15	**-**
Amounts written off	**-**	**-**	**-1**	**-1**	-	-	-10,563	**-10,563**
ECL allowance - closing balance	**1,173**	**18**	**1,868**	**3,059**	**830**	**6**	**1,090**	**1,926**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

8.5 Business Loan Unsecured

8.5.1 Credit quality of unsecured business loan

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Internal rating grade												
High	**30,972**	**-**	**-**	**30,972**	40,214	-	-	**40,214**	6,059	-	-	**6,059**
Standard	**659**	**112**	**-**	**771**	483	33	-	**516**	239	3	-	**242**
Potential Sub-Standard	**19**	**872**	**-**	**891**	-	388	-	**388**	-	24	-	**24**
Defaulted but Not impaired	**-**	**-**	**29**	**29**	-	-	52	**52**	-	-	-	**-**
Defaulted And Impaired	**-**	**-**	**2,488**	**2,488**	-	-	410	**410**	-	-	-	**-**
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	**-**	-	-	-	**-**
Total	**31,650**	**984**	**2,517**	**35,151**	**40,697**	**421**	**462**	**41,580**	**6,298**	**27**	**-**	**6,325**

8.5.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Business loan is, as follows

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Gross Carrying amount opening balance	**40,697**	**421**	**462**	**41,580**	6,298	27	-	**6,325**
New assets originated or purchased	**12,181**	**100**	**136**	**12,417**	37,203	273	207	**37,683**
Assets derecognised or repaid (excluding write offs)	**-18,686**	**-115**	**-24**	**-18,825**	-2,425	-3	-	**-2,428**
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-872**	**872**	**-**	**-**	-149	149	-	**-**
Transfers to Stage 3	**-1,655**	**-288**	**1,943**	**-**	-230	-25	255	**-**
Amounts written off	**-15**	**-6**	**-**	**-21**	-	-	-	**-**
Gross carrying amount closing balance	**31,650**	**984**	**2,517**	**35,151**	**40,697**	**421**	**462**	**41,580**

8.5.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
ECL allowance - opening balance	**653**	**14**	**292**	**959**	102	1	-	**103**
New assets originated or purchased	**196**	**3**	**86**	**285**	587	9	131	**727**
Assets derecognised or repaid (excluding write offs)	**-47**	**-**	**-**	**-47**	-7	-	-	**-7**
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-31**	**31**	**-**	**-**	-5	5	-	**-**
Transfers to Stage 3	**-1,041**	**-178**	**1,219**	**-**	-146	-15	161	**-**
Impact on year end ECLs of exposures transferred between stages during the year	**814**	**167**	**-14**	**967**	122	14	-	**136**
Amounts written off	**-3**	**-2**	**-12**	**-17**	-	-	-	**-**
ECL allowance - closing balance	**541**	**35**	**1,571**	**2,147**	**653**	**14**	**292**	**959**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

8.6 MSE & Financial Intermediaries

8.6.1 Credit quality of MSE & Financial Intermediaries

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Internal rating grade												
High	**71,307**	**-**	**-**	**71,307**	32,625	-	-	**32,625**	6,174	-	-	**6,174**
Standard	**626**	**7**	**-**	**633**	-	-	-	**-**	-	-	-	**-**
Potential Sub-Standard	**664**	**1,186**	**-**	**1,850**	-	-	-	**-**	-	-	-	**-**
Defaulted but Not impaired	**-**	**-**	**-**	**-**	-	-	-	**-**	-	-	-	**-**
Defaulted And Impaired	**-**	**-**	**327**	**327**	-	-	1	**1**	-	-	-	**-**
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	**-**	-	-	-	**-**
Total	**72,597**	**1,193**	**327**	**74,117**	**32,625**	**-**	**1**	**32,626**	**6,174**	**-**	**-**	**6,174**

8.6.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to MSE is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Gross Carrying amount opening balance	**32,625**	**-**	**1**	**32,626**	6,174	-	-	**6,174**
New assets originated or purchased	**59,048**	**1,193**	**5**	**60,246**	26,574	-	1	**26,575**
Assets derecognised or repaid (excluding write offs)	**-18,755**	**-**	**-**	**-18,755**	-123	-	-	**-123**
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 3	**-321**	**-**	**321**	**-**	-	-	-	**-**
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	**-**
Gross Carrying amount closing balance	**72,597**	**1,193**	**327**	**74,117**	**32,625**	**-**	**1**	**32,626**

8.6.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
ECL allowance - opening balance	**67**	**-**	**-**	**67**	-	-	-	**-**
New assets originated or purchased	**245**	**21**	**3**	**269**	67	-	-	**67**
Assets derecognised or repaid (excluding write offs)	**-34**	**-**	**-**	**-34**	-	-	-	**-**
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 3	**-193**	**-**	**193**	**-**	-	-	-	**-**
Impact on year end ECLs of exposures transferred between stages during the year	**190**	**-**	**-**	**190**	-	-	-	**-**
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	**-**
ECL allowance - closing balance	**275**	**21**	**196**	**492**	**67**	**-**	**-**	**67**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

8.7 Other Loan

8.7.1 Credit quality of other loan

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are set out in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Internal rating grade												
High	**2,498**	**-**	**-**	**2,498**	2,428	-	-	**2,428**	1,240	-	-	**1,240**
Standard	**167**	**77**	**-**	**244**	359	248	-	**607**	26	14	-	**40**
Potential Sub-Standard	**-**	**208**	**-**	**208**	-	505	-	**505**	-	62	-	**62**
Defaulted but Not impaired	**-**	**-**	**68**	**68**	-	-	180	**180**	-	-	7	**7**
Defaulted And Impaired	**-**	**-**	**221**	**221**	-	-	217	**217**	-	-	114	**114**
Individually impaired	**-**	**-**	**-**	**-**	-	-	-	**-**	-	-	-	**-**
Total	**2,665**	**285**	**289**	**3,239**	**2,787**	**753**	**397**	**3,937**	**1,266**	**76**	**121**	**1,463**

8.7.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Other Loan is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
Gross Carrying amount opening balance	**2,787**	**753**	**397**	**3,937**	1,266	76	121	**1,463**
New assets originated or purchased	**1,490**	**259**	**131**	**1,880**	1,822	751	292	**2,865**
Assets derecognised or repaid (excluding write offs)	**-1,570**	**-730**	**-278**	**-2,578**	-292	-76	-23	**-391**
Transfers to Stage 1	**2**	**-2**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-19**	**19**	**-**	**-**	-2	2	-	**-**
Transfers to Stage 3	**-25**	**-14**	**39**	**-**	-7	-	7	**-**
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	**-**
Gross Carrying amount closing balance	**2,665**	**285**	**289**	**3,239**	**2,787**	**753**	**397**	**3,937**

8.7.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective/ Individual	Total
ECL allowance - opening balance	**5**	**-**	**54**	**59**	7	-	32	**39**
New assets originated or purchased	**-**	**-**	**-**	**-**	-	-	-	**-**
Assets derecognised or repaid (excluding write offs)	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 1	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**	-	-	-	**-**
Transfers to Stage 3	**-6**	**-**	**6**	**-**	-3	-	3	**-**
Impact on year end ECLs of exposures transferred between stages during the year	**7**	**-**	**24**	**31**	1	-	19	**20**
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	**-**
ECL allowance - closing balance	**6**	**-**	**84**	**90**	**5**	**-**	**54**	**59**

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Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
9	**Investment**			
	At Amortised cost			
	A) In India			
	Government Securties	**1,08,269**	95,817	60,247
	Total - Gross	**1,08,269**	**95,817**	**60,247**
	Less : Impairment loss allowance	**-**	-	-
	Total - Net	**1,08,269**	**95,817**	**60,247**
	Fair value through other comprehensive income			
	A) In India			
	Treasury bills and Commercial papers	**1,26,301**	2,87,398	82,491
	Equity instruments * 2,00,000 Equity shares (As at March 31, 2018 & March 31, 2017 2,00,000 Shares) of ₹ 10 each fully paid up in Alpha Micro Finance Consultants Private Limited	**20**	20	20
	Mutual fund	**-**	2,513	518
	Total - Gross	**1,26,321**	**2,89,931**	**83,029**
	Less : Impairment loss allowance	**-**	-	-
	Total - Net	**1,26,321**	**2,89,931**	**83,029**
	* The Group has designated certain unquoted instruments as FVTOCI on the basis that these are not held for trading.			
	Fair value through profit and loss account			
	A) In India			
	Government Securties	**-**	-	46,209
	Total - Gross	**-**	**-**	**46,209**
	Less : Impairment loss allowance	**-**	-	-
	Total - Net	**-**	**-**	**46,209**
	Total - Net Investments	**2,34,590**	**3,85,748**	**1,89,485**

Note 9.1 Impairment losses on financial investments subject to impairment assessment

Note 9.1.1 Investments measured at amortised cost

Credit quality of assets

The table below shows the gross carrying amount of the Group's debt instruments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Internal rating grade												
High grade	**1,08,269**			**1,08,269**	95,817			**95,817**	60,247			**60,247**
Total	**1,08,269**	-	-	**1,08,269**	**95,817**	-	-	**95,817**	**60,247**	-	-	**60,247**

An analysis of changes in the gross carrying amount is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Gross Carrying amount opening balance	**95,817**	-	-	**95,817**	60,247	-	-	**60,247**
New assets originated or purchased	**12,885**	-	-	**12,885**	35,985	-	-	**35,985**
Assets derecognised or repaid	**-433**	-	-	**-433**	-415	-	-	**-415**
Gross carrying amount closing balance	**1,08,269**	-	-	**1,08,269**	**95,817**	-	-	**95,817**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note 9.1.2 Investments measured at fair valuation through other comprehensive income

Credit quality of assets

The table below shows the fair value of the Group's debt instruments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Internal rating grade												
High grade	**1,26,301**	-	-	**1,26,301**	2,89,911	-		**2,89,911**	83,009			**83,009**
Standard grade	**20**	-	-	**20**	20			**20**	20			**20**
Total	**1,26,321**	-	-	**1,26,321**	**2,89,931**	-	-	**2,89,931**	**83,029**	-	-	**83,029**

An analysis of changes in the fair value is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Fair value - Opening balance	**2,89,931**	-	-	**2,89,931**	83,029	-	-	**83,029**
New assets originated or purchased	**6,06,396**	-	-	**6,06,396**	5,13,076	-	-	**5,13,076**
Assets derecognised or repaid	**-7,83,439**	-	-	**-7,83,439**	-3,10,559	-	-	**-3,10,559**
Change in fair value	**13,433**	-	-	**13,433**	4,385	-	-	**4,385**
Fair value - Closing balance	**1,26,321**			**1,26,321**	**2,89,931**	-	-	**2,89,931**

Note 9.1.3 Investments measured at Fair valuation through profit and loss account

Credit quality of assets

The table below shows the fair value of the Group's debt instruments measured at fair value through profit and loss account by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Internal rating grade												
High grade	-			-	-			-	46,209			**46,209**
Total	-	-	-	-	-	-	-	-	**46,209**	-	-	**46,209**

An analysis of changes in the fair value is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Fair value - Opening balance	-	-	-	-	46,209	-	-	**46,209**
Assets derecognised or repaid	-	-	-	-	-46,209	-	-	**-46,209**
Fair value - Closing balance	-	-	-	-	-	-	-	-

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
10	**Other financial assets**			
	At Amortised Cost			
	Interest accrued	**2,330**	2,571	3,587
	Security deposit	**1,846**	1,726	1,380
	Other assets	**3,783**	4,193	8,157
	Rent receivable	**215**	-	-
	Total	**8,174**	**8,490**	13,124
	At FVTOCI			
	Interest accrued on investments	**625**	758	-
	Total	**625**	**758**	**-**
	Total Other financial assets	**8,799**	**9,248**	**13,124**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

10.1 Rent Receivable

10.1.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Rent receivable is as follows:

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
High	215	-	-	215	-	-	-	-	-	-	-	-
Total	215	-	-	215	-	-	-	-	-	-	-	-

10.1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Rent Receivable is, as follows:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	-	-	-	-	-	-	-	-
New exposures	215	-	-	215	-	-	-	-
Exposure derecognised or repaid	-	-	-	-	-	-	-	-
Gross Carrying amount closing balance	215	-	-	215	-	-	-	-

10.1.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	-	-	-	-	-	-	-	-
New exposure	12	-	-	12	-	-	-	0
ECL allowance - closing balance	12	-	-	12	-	-	-	0

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
11	**Other non-financial assets (considered good) (unsecured)**			
	Prepaid expenses	**1,431**	1,436	1,262
	Total	**1,431**	**1,436**	**1,262**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

10(i). Property, plant and equipment

Particulars	Improvement on lease hold premises	Office equipment	Computers	Furniture and fittings	Vehicles (i)	Servers, Printers and network equipment	Electrical fittings	ATM	Intangible assets - Software	Total	Capital Work in Progress (ii)
Gross carrying value:											
At 1st April 2017	**6,621**	**4,345**	**2,168**	**1,183**	**1,117**	**2,378**	**115**	**2,143**	**7,348**	**27,418**	**1,484**
Additions	3,070	2,536	616	444	701	710	76	203	1,339	9,695	469
Disposals	-18	-19	-6	-6	-278	-	-	-	-70	-397	-1,731
At 1st April 2018	**9,673**	**6,862**	**2,778**	**1,621**	**1,540**	**3,088**	**191**	**2,346**	**8,617**	**36,716**	**222**
Additions	845	382	448	186	564	455	31	-	2,204	5,116	301
Disposals	-24	-32	-3	-21	-797	-	-	-		-877	-361
At 31 March 2019	**10,494**	**7,212**	**3,223**	**1,786**	**1,307**	**3,543**	**222**	**2,346**	**10,821**	**40,955**	**162**
Depreciation											
At 1st April 2017	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	1,384	2,343	1,334	563	379	629	43	330	1,846	8,850	
Disposals	-6	-7	-0	-5	-139	-	-	-		-157	
Other adjustments											
At 1st April 2018	**1,378**	**2,336**	**1,334**	**558**	**240**	**629**	**43**	**330**	**1,846**	**8,693**	**-**
Charge for the year	1,431	2,489	1,020	611	383	721	40	342	2,161	9,198	-
Disposals	-24	-31	-2	-22	-454	-	-	-		-532	-
Other adjustments											
At 31 March 2019	**2,785**	**4,795**	**2,352**	**1,146**	**169**	**1,350**	**83**	**672**	**4,007**	**17,358**	**-**
Net Block											
At 31 March 2017	**6,621**	**4,345**	**2,168**	**1,183**	**1,117**	**2,378**	**115**	**2,143**	**7,348**	**27,418**	**1,484**
At 31 March 2018	**8,295**	**4,525**	**1,445**	**1,063**	**1,300**	**2,459**	**148**	**2,016**	**6,772**	**28,023**	**222**
At 31 March 2019	**7,709**	**2,417**	**871**	**640**	**1,138**	**2,193**	**139**	**1,674**	**6,814**	**23,597**	**162**
Depreciation charge for the year											
At 31 March 2018	1,384	2,343	1,334	563	379	629	43	330	1,846	8,850	
At 31 March 2019	**1,431**	**2,489**	**1,020**	**611**	**383**	**721**	**40**	**342**	**2,161**	**9,198**	

i) The Company has elected the previous GAAP carrying amount as deemed cost on the date of transition for Property, Plant & Equipment, Intangible Assets and Capital Work-in-Progress . Hence, Net Block of March 31, 2017 is considered as Opening Gross block for April 1, 2017.

10b. Investment property

Particulars	Land - Freehold	Building	Total
Gross carrying value:			
At 1st April 2017	**1,532**	**2,394**	**3,926**
Additions	-	937	937
Disposals			
At 1st April 2018	**1,532**	**3,331**	**4,863**
Additions	496	232	728
Disposals			
At 31 March 2019	**2,028**	**3,563**	**5,591**
Depreciation			
At 1st April 2017			
Charge for the year	-	63	63
At 1st April 2018	**-**	**63**	**63**
Charge for the year	-	78	78
At 31 March 2019	**-**	**141**	**141**
Net Block			
At 31 March 2017	**1,532**	**2,394**	**3,926**
At 31 March 2018	**1,532**	**3,268**	**4,800**
At 31 March 2019	**2,028**	**3,423**	**5,450**
Depreciation charge for the year			
At 31 March 2018	-	63	63
At 31 March 2019	-	78	78

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Income earned and expenses incurred in connection with Investment properties

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rental income	215	-
Direct operating expenses from property that generate rental income	3	0
Direct operating expenses from property that did not generate rental income	-	-

Contractual obligation

There are no contractual obligation to purchase, construct or develop investment properties.

Fair value

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Investment properties	6,140	5,965	5,789

Sensitivity Analysis

Particulars	Valuation technique	Significant unobservable input	Range	Sensitivity	Sensitivity of the input to fair value (weighted average)	Fair value	Sensitivity
Investment properties As at March 31, 2019	Professional valuer	Price per sq. feet	₹ 1,894 - ₹ 2,593 per sq. feet	307	5% sensitivity on rate per sq. feet	6,140	307

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
11(i)	**Trade Payables**			
	Total outstanding dues of creditors other than micro enterprises and small enterprises	8,426	7,174	6,864
		8,426	7,174	6,864
12	**Debt Securities (at amortised cost)**			
	Debentures			
	- Secured	5,993	33,422	73,125
	- Unsecured	41,911	1,66,740	1,66,621
	Commercial paper			
	- Unsecured	-	-	41,500
		47,904	2,00,162	2,81,246

Details of Debentures - secured

The Secured Redeemable Non-Convertible Debentures are secured by hypothecation of specified Receivables under Financing activities

The Group has not defaulted in the repayment of dues to Debenture holders.

The rate of interest for Secured Redeemable Non-Convertible Debentures is 12.67% p.a. with maturity tenor of 58 days and have bullet repayment.

Details of Debentures - unsecured

The rate of interest for Unsecured Redeemable Non-Convertible Debentures range from 10.15% to 16.00% p.a. with maturity tenor of 62 days to 1250 days and have a bullet repayment schedule.

EIR on debentures ranges from 10.29% to 16.13%, having a maturity period from 2019 to 2022.

As at March 2019

EIR Range	Maturity within 1 year	Maturity more than 1 year
10%-13%	14,988	-
13%-15%	10,977	17,948
15%-17%	-	3,991

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
13	**Borrowing other than debt securities (at amortised cost)**			
	Term loans			
	From Banks			
	- Secured	**-**	94,000	59,957
	- Unsecured	**1,000**	15,000	45,007
	From others			
	- Secured	**9,048**	59,395	1,24,179
	- Unsecured	**3,39,190**	1,51,539	-
	Total	**3,49,238**	**3,19,934**	**2,29,143**

Details of term loans from banks and others - secured
The loans are secured by hypothecation of specified receivables under financing activities and lien on specified fixed deposits with banks.

The Group has not defaulted in the repayment of dues to banks and other parties.

The rate of interest range from 8.40% to 11.50% p.a. with maturity tenor from 122 days to 2,588 days.

Details of term loans from banks and others - unsecured
The rate of interest range from 4.93% to 11.40% p.a. with maturity tenor from 101 days to 1,827 days.

EIR on borrowings ranges from 9.48% to 11.89% and having a maturity period 2019 to 2026

As at March 2019

From Banks

EIR Range	Maturity within 1 year	Maturity more than 1 year
4%-8%	1,000	-

From Others

EIR Range	Maturity within 1 year	Maturity more than 1 year
4%-8%	7,095	12,260
8%-10%	1,07,445	1,89,882
10%-12%	17,502	14,054

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
14	**Deposits (at amortised cost)**			
	Demand deposit	**48,056**	38,534	6,475
	Savings bank deposit	**1,79,309**	1,24,867	26,734
	Term deposit	**6,53,608**	3,90,883	1,54,514
		8,80,973	**5,54,284**	**1,87,723**
	Deposits at fair value			
	Staff Deposits	**1,898**	842	859
	Total	**8,82,871**	**5,55,126**	**1,88,582**

15	**Other financial liabilities (at amortised cost)**			
	Bills payable	**6,262**	671	87
	Interest accrued	**14,643**	16,886	14,215
	Other financial liabilities	**10,108**	11,206	22,503
	Liability for capital expenditure	**13**	61	-
	Total	**31,026**	**28,824**	**36,805**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
16	**Provisions**			
	Loan commitment	**17**	69	51
	Employee benefits			
	Gratuity (Refer Note 36)	**306**	621	318
	Others *	**6,125**	6,659	5,299
	Total	**6,448**	**7,349**	**5,668**

* There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated 28th February, 2019. As a matter of caution, the Group has made a provision on a retrospective basis from the date of inception of the company. Accordingly, based on internal computation, the Group has provided ₹ 550 lakh towards provident fund and interest theron @ simple rate of interest in terms of the provisions of section 7Q of the The Employees' Provident Funds and Miscellaneous provisions Act, 1952 . The Group will update its provision, on receiving further clarity on the subject.

16.1 Loan Commitment

16.1.1 Credit quality of assets / exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 44 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 44.

Particulars	March 31, 2019				March 31, 2018				March 31, 2017			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Internal rating grade												
High	**11,403**	**-**	**-**	**11,403**	18,838	-	-	**18,838**	16,815	-	-	**16,815**
Standard	**-**	**-**	**-**	**-**	-	-	-	**-**	-	-	-	**-**
Potential Sub-Standard	**-**	**6**	**-**	**6**	-	12	-	**12**	-	0	-	**0**
Defaulted but Not impaired	**-**	**-**	**-**	**-**	-	-	-	**-**	-	-	-	**-**
Defaulted And Impaired	**-**	**12**	**-**	**12**	-	2	-	**2**	-	0	-	**0**
Individually impaired	**-**		**-**	**-**	-	-	-	**-**	-	-	-	**-**
Total	**11,403**	**18**	**-**	**11,421**	**18,838**	**14**	**-**	**18,852**	**16,815**	**0**	**-**	**16,815**

16.1.2 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn commitments is as follows:

Gross exposure reconciliation

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross Carrying amount opening balance	**18,838**	**14**	**-**	**18,852**	16,815	0	-	**16,815**
New assets originated or purchased	**11,228**	**4**	**-**	**11,232**	18,442	0	-	**18,442**
Exposure derecognised or closed (excluding write offs)	**-18,649**	**-14**	**-**	**-18,663**	-16,405	0	-	**-16,405**
Transfers to Stage 1	**0**	**0**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**-2**	**2**	**-**	**-**	-12	12	-	**-**
Transfers to Stage 3	**-12**	**12**	**-**	**-**	-2	2	-	**0**
Gross Carrying amount closing balance	**11,403**	**18**	**-**	**11,421**	**18,838**	**14**	**-**	**18,852**

16.1.3 Reconciliation of ECL balance is given below:

Particulars	March 31, 2019				March 31, 2018			
	Stage 1 Collective	Stage 2 Collective	Stage 3	Total	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowance - opening balance	**69**	**0**	**0**	**69**	51	0	0	**51**
New assets originated or purchased	**13**	**0**	**0**	**13**	63	0	0	**63**
Exposure derecognised or closed (excluding write offs)	**-65**	**0**	**0**	**-65**	-45	0	0	**-45**
Transfers to Stage 1	**0**	**0**	**-**	**-**	-	-	-	**-**
Transfers to Stage 2	**0**	**0**	**-**	**-**	0	0	-	**-**
Transfers to Stage 3	**0**	**0**	**0**	**0**	0	-	0	**-**
ECL allowance - closing balance	**17**	**0**	**0**	**17**	**69**	**0**	**0**	**69**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
17	**Other Non-financial liabilities**			
	Statutory Dues	**893**	1,030	741
	Total	**893**	**1,030**	**741**
18	**Share capital**			
	Authorised			
	440,000,000 (FY18: 440,000,000 & FY17: 365,000,000) Equity Shares of ₹ 10/- each	**44,000**	44,000	36,500
	10,000,000 (FY18: 10,000,000 & FY17: 10,000,000) compulsorily convertiable preference shares of ₹ 10/- each	**1,000**	1,000	1,000
	Issued, subscribed and paid up			
	34,14,61,498 (FY18: 34,04,29,976 & FY17: 33,78,13,746) Equity Shares of ₹10/- each	**34,146**	34,043	33,781

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at Mar 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	Amount (₹ in Lakh)	No. of shares	Amount (₹ in Lakh)	No. of shares	Amount (₹ in Lakh)
Equity shares						
At the beginning of the year	**34,04,29,976**	**34,043**	33,78,13,746	33,781	33,78,13,746	33,781
Add: Shares issued during the year	**10,31,522**	**103**	26,16,230	262	-	-
Outstanding at the end of the year	**34,14,61,498**	**34,146**	**34,04,29,976**	**34,043**	**33,78,13,746**	**33,781**

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

During the year, the company allotted 1,031,522 (Previous Year 2,616,230) Equity Shares of ₹ 10 each to eligible employees pursuant to exercise of options under the Employee Stock Options Scheme at applicable premiums.

Details of Shareholder holding more than 5% shares in the company

Particulars	As at Mar 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No of Shares	% holding	No of Shares	% holding	No of Shares	% holding
Equity Shares of ₹ 10 each fully paid						
International Finance Corporation	**1,43,38,925**	**4.20%**	2,20,59,885	6.48%	2,20,59,885	6.53%
CDC Group Plc	**2,67,91,230**	**7.85%**	2,67,91,230	7.87%	2,67,91,230	7.93%
Creation Investments Equitas Holdings LLC	**-**	**0.00%**	-	0.00%	1,73,13,912	5.13%
Credit Access Asia N.V.	**-**	**0.00%**	-	0.00%	1,75,66,159	5.20%
	4,11,30,155	**12.05%**	**4,88,51,115**	**14.35%**	**8,37,31,186**	**24.79%**

Shares reserved for issuance

Refer Note 48 with respect to Employee Stock Option Scheme.

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
19	**Other Equity**			
	Securities premium reserve	**1,40,948**	1,40,322	1,38,807
	Statutory reserve	**19,271**	13,820	12,916
	Capital reserve	**1,328**	1,328	1,328
	Special reserve	**590**	326	259
	Investment reserve	**230**	230	-
	Investment fluctuation reserve	**843**	-	-
	Share based payment reserve	**3,811**	4,488	3,102
	Retained earnings	**43,110**	30,374	29,051
	FVTOCI reserve	**64**	24	-231
	Share application money	**29**	67	27
	Total	**2,10,224**	**1,90,979**	**1,85,259**

a. Securities premium reserve

The Securities premium received during the year represents the premium received towards allotment of 10,31,522 shares under ESOP Scheme. This balance in the reserve shall be utilised in accordance with the provisions of Section 52 of the Companies Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission / discount expenses on issue of shares / debentures, premium payable on redemption of redeemable preference shares / debentures and buy back of its own shares / securities under Section 68 of the Companies Act.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**1,40,322**	1,38,807
Premium on issue of share capital under ESOP Scheme	**626**	1,515
Balance at the end of the year	**1,40,948**	**1,40,322**

b. Statutory reserve

The Company and its banking subsidiary are required to create a statutory reserve fund every year as per Banking Regulation Act and RBI Regulations. Accordingly, for the year ended March 31, 2019 ₹ 5,451 lakh (Previous year ₹ 904 lakh) had been transferred by these entities to statutory reserve.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**13,820**	12,916
Transfer from retained earnings to Statutory Reserves	**5,451**	904
Balance at the end of the year	**19,271**	**13,820**

c. Capital reserve

Capital reserve consist of the excess of the company's portion of equity of the subsidiaries on the acquisition date over its cost of investment.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**1,328**	1,328
Adjustments	**-**	-
Balance at the end of the year	**1,328**	**1,328**

d. Special reserve

The banking subsidiary of the company is required to transfer an amount as required by Section 36(1)(viii) of Income Tax Act, 1961. Accordingly, for the year ended March 31, 2019 ₹ 264 lakh (Previous year ₹ 67 lakh) had been transferred to special reserve.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**326**	259
Transfer from retained earnings to Special reserve	**264**	67
Balance at the end of the year	**590**	**326**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

e. Investment reserve

The banking subsidiary is required to create an investment reserve for reversal of excess depreciation on investments in accordance with the Reserve Bank of India guidelines. Accordingly, the group has created Investment Reserve, after transfer to Statutory Reserves, net of taxes amounting to ₹ 230 lakh for the year ended March 31, 2018.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**230**	-
Transfer from retained earnings to Investment reserve	**-**	230
Balance at the end of the year	**230**	**230**

f. Investment fluctuation reserve

The banking subsidiary is required to create an investment fluctuation reserve in accordance with the Reserve Bank of India guidelines. Accordingly, the group has transferred ₹ 843 lakh for the year ended March 31, 2019.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**-**	-
Transfer from retained earnings to Investment Fluctuation reserve	**843**	-
Balance at the end of the year	**843**	**-**

g. Retained Earnings

The amount that can be distributed by the Company as dividends to its Equity Shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Retained earnings is a free reserve, retained from company's profits to meet future obligations.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**30,374**	29,051
Profit for the year	**17,659**	1,365
Transfer from retained earnings to Statutory Reserves	**-5,451**	-904
Transfer from retained earnings to Special reserve	**-264**	-67
Transfer from retained earnings to Investment reserve	**-843**	-230
Minority interest created		7
Transfer of ESOP cost to retained earnings upon lapse of options	**1,635**	1,152
Balance at the end of the year	**43,110**	**30,374**

h. Share Based Payment Reserve

The balance represents reserves created to the extent of granted options based on the Employees Stock Option Schemes. Under Ind AS 102, fair value of the options granted is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**4,488**	3,102
Addition on account of ESOP cost	**1,102**	2,890
Transfer of ESOP cost to retained earnings upon lapse of options	**-1,635**	-1,152
Transfer of ESOP cost to securities premium upon exercise	**-144**	-352
Balance at the end of the year	**3,811**	**4,488**

i. FVTOCI Reserve

This reserve represents the cumulative gains and losses arising on the remeasurement on defined benefit obligations and debt instruments remeasured at FVTOCI.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**24**	-231
Addition during the year	**40**	255
Balance at the end of the year	**64**	**24**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
20	**Interest Income**		
	On Financial Assets measured at Amortised Cost		
	Interest income from financial investments	**8,189**	5,672
	Interest income on loans to customers	**1,89,763**	1,40,107
	On Financial Assets measured at fair value through OCI		
	Interest income from investments in debt instruments	**18,208**	12,686
	On Financial Assets classified at fair value through profit or loss		
	Interest income from investments in debt instruments	**-**	562
	Interest on deposit with banks	**3,051**	1,961
	Other interest Income	**253**	207
	Total Interest income	**2,19,464**	**1,61,195**
21	**Revenue from contract with customers**		
	Fee income that are recognised over a period of time	**1,190**	545
	Fee income that are recognised at point in time	**6,162**	3,780
	Fees and commision income	**24**	-
	Income from advertisement	**148**	-
	Freight income	**-**	243
	Total	**7,524**	**4,568**
22	**Net gain on fair value change**		
	Others		
	Gain/(loss) on sale of debt FVOCI instrument	**327**	-1,030
	Total Net gain/(loss) on fair value changes	**327**	**-1,030**
	Fair value changes:		
	Realised	**327**	-1,030
	Total Net gain/(loss) on fair value changes	**327**	**-1,030**
23	**Rental Income**		
	Rental Income from investment properties	**215**	-
	Total	**215**	**-**
24	**Other income**		
	Income from sale of Priority Sector Lending Certificate	**2,815**	6,072
	Others	**5,508**	7,163
	Total	**8,323**	**13,235**
25	**Finance Cost**		
	Interest cost on Financial liabilities measured at amortised cost		
	Debt securities	**14,969**	24,724
	Deposits	**49,859**	24,059
	Borrowings (other than debt securities)	**31,065**	18,129
	Total	**95,893**	**66,912**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
26	**Impairment on financial assets**		
	The below table show impairment loss on financial assets charge to statement of profit and loss based on category of financial assets.		
	On Financial assets measured at amortised cost		
	Loans	**10,181**	16,191
	Loan commitment	**-52**	17
	Total	**10,129**	**16,208**

		2018-19				
	Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Others**	**Total**
	Loans and advances to customers	**1,278**	**-185**	**2,659**	**6,429**	**10,181**
	Loan commitments	**-52**	**-0**	**0**	**-**	**-52**
	Total impairment loss	**1,226**	**-185**	**2,659**	**6,429**	**10,129**

		2017-18				
	Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Others**	**Total**
	Loans and advances to customers	645	153	-3,740	19,133	16,191
	Loan commitments	17	0	0	-	17
	Total impairment loss	**662**	**153**	**-3,740**	**19,133**	**16,208**

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
27	**Employee benefit expenses**		
	Salaries and wages	**51,515**	49,732
	Contribution to provident and other funds	**2,875**	2,745
	Gratuity expense (Refer Note 36)	**783**	518
	Staff Welfare	**1,593**	1,990
	Total	**56,766**	**54,985**

28	**Other expenses**		
	Advertisement & business promotion	**1,811**	1,164
	Communication expenses	**2,095**	2,641
	Professional & consultancy fee	**2,206**	1,725
	Payments to auditor (Refer Note A below)	**125**	91
	Electricity expenses	**1,256**	1,031
	Directors' sitting fee	**133**	128
	PSLC fee expenses	**2,941**	-
	Miscellaneous expenses	**3,464**	2,050
	Insurance expenses	**636**	355
	Printing and stationery	**972**	1,096
	Rates and taxes	**2,170**	1,701
	Rent	**6,169**	5,928
	Brokerage fees	**1,292**	1,158
	Repairs & maintenance - others	**1,943**	1,738
	Travelling & conveyance	**4,056**	3,513
	Information technology expenses	**3,789**	3,626
	Cash handling charges	**517**	433
	Contributions towards CSR activities (Refer Note B below)	**905**	259
	Guarantee expenses	**139**	0
	Registrar fee and general meeting expenses	**28**	40

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
	Hiring charges	-	295
	Loss assets written-off	-	73
	Loss on sale of assets	11	15
	Total	**36,658**	**29,060**
	A. Payment to auditors		
	As auditors		
	Statutory audit	82	70
	Tax audit	5	7
	In other capacity		
	Certification	21	8
	Other reporting services	8	-
	Reimbursement of expenses	2	2
	Total	**118**	**87**
	B. Details of CSR expenditure:		
	a) Gross amount required to be spent by the Group during the year	**249**	250
	b) Amount spent during the year on		
	i) Construction/acquisition of any asset		
	ii) On purposes other than (i) above	**905**	259
	The Company in accordance with its CSR Policy has implemented CSR activities, through the Equitas Development Initiatives Trust, a public charitable trust established by the Group.		

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
29	**Income Tax**		
	Statement of Profit and loss		
	The components of income tax expense for the years ended 31 March 2019 and 2018 are:		
	Current tax	**14,052**	3,900
	Deferred tax relating to origination and reversal of temporary differences	**-4,578**	-3,375
	Total	**9,474**	**525**
	Current tax (net)	**14,052**	3,900
	Deferred tax	**-4,578**	-3,375
		9,474	**525**

Other Comprehensive Income (OCI)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Tax effect on		
Re-measurement gains/(losses) on defined benefit obligations (net)	**-19**	-26
Debt instruments measured at FVOCI	**-2**	-110
Income tax charged to OCI	**-21**	**-136**

29.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2019 and 2018 is, as follows:

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
Accounting profit before tax	**27,131**	1,890
At India's statutory income tax rate	**9,402**	**655**
Adjustment in respect of current income tax		
Share based payment expenses - No deductions claimed under tax	**437**	1,000
Deduction under Section 80JJAA	**-312**	-
Impact of difference in tax base for donation & CSR expense	**174**	54
Others	**-227**	-1,184
Income tax expense reported in the statement of profit and loss	**9,474**	**525**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

		As at March 31, 2019		Year Ended 31-Mar-2019	
		Deferred tax assets	Deferred tax liabilities	Income statement	OCI
30	**Deferred tax**				
	Provisions	**4,685**	**-**	**1,101**	**-**
	Depreciation	**1,047**	**-**	**1,274**	**-**
	Remeasurement gain / (loss) on defined benefit plan	**1,537**	**-**	**-228**	**19**
	Impact on Effective interest rate (EIR) on financial instruments	**5,135**	**618**	**1,983**	**-**
	Fair valuation impact on financial instruments	**431**	**1,838**	**-336**	**-**
	Impairment impact on financial instruments	**430**	**552**	**-53**	**-**
	Fair valuation impact on other comprehensive income	**131**	**112**	**-**	**2**
	Other temporary differences	**2,336**	**269**	**837**	**-**
	Total	**15,732**	**3,389**	**4,578**	**21**
	Deferred tax assets (net)	**12,343**			

	As at March 31, 2018		Year Ended 31-Mar-2018	
	Deferred tax assets	Deferred tax liabilities	Income statement	OCI
Provisions	3,584	-	1,508	-
Depreciation	2	229	972	-
Remeasurement gain / (loss) on defined benefit plan	1,784	-	-111	26
Impact on Effective interest rate (EIR) on financial instruments	3,058	523	742	-
Fair valuation impact on financial instruments	335	1,406	-151	-
Impairment impact on financial instruments	444	514	-531	-
Fair valuation impact on other comprehensive income	131	110	-	110
Other temporary differences	1,345	114	946	-
Total	**10,683**	**2,896**	**3,375**	**136**
Deferred tax assets (net)	**7,787**			

	As at March 31, 2017	
	Deferred tax assets	Deferred tax liabilities
Provisions	2,076	-
Depreciation	1	1,200
Remeasurement gain / (loss) on defined benefit plan	1,921	-
Impact on Effective interest rate (EIR) on financial instruments	2,284	491
Fair valuation impact on financial instruments	95	1,016
Impairment impact on financial instruments	462	-
Fair valuation impact on other comprehensive income	131	-
Other temporary differences	320	90
Total	**7,290**	**2,797**
Deferred tax assets (net)	**4,493**	

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Note	Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
31	**Earnings per equity share**		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Profit after tax	**17,657**	1,365
	Weighted average number of equity shares in calculating basic	**34,10,29,144**	33,90,75,142
	Effect of dilution:		
	Add: Effect of ESOPs which are Dilutive	**81,811**	39,93,662
	Weighted average number of equity shares in calculating Diluted	**34,11,10,955**	34,30,68,804
	Basic earnings per equity share	**5.18**	0.40
	Diluted earnings per equity share	**5.18**	0.40

32 Transferred financial assets that are derecognised in their entirety

Securitisation

The Group transfers its loan receivables through securitisation route. The group has availed the exemption under Ind AS 101 to derecognise such assets. The Group continues to retain Minimum Retention Requirement (MRR) as per RBI guidelines. The exposure to such financial assets are summarised below.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
No of SPVs sponsored by the Group for securitisation transactions	**5**	5	16
Total amount of securitised assets as per books of the SPVs sponsored by the Group	**48,728**	48,728	1,82,706
Carrying amount of transferred asset	**12,421**	24,627	85,640
Total amount of exposures retained by the Group to comply with	**-**	-	-
Minimum Retention Requirement (MRR) as on the Date of Balance Sheet	**-**	-	-
a) Off-balance sheet exposures	**-**	-	-
First loss (Corporate Guarantee)	**2,889**	2,889	4,101
Others (fixed deposits)	**-**	-	225
b) On-balance sheet exposures	**-**	-	-
First loss (Cash Collateral & Retained Assets)	**3,019**	3,178	14,496
Others	**-**	-	-
Amount of exposure to securtisation transactions other than MRR	**-**	-	-
a) Off-balance sheet exposures	**-**	-	-
i) Exposure to own securtisation	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-
ii) Exposure to third party securtisation	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-
b) On-balance sheet exposures	**-**	-	-
i) Exposure to own securtisation	**-**	-	-
First loss	**128**	278	746
Others	**-**	-	-
ii) Exposure to third party securtisation	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

The maturity of the carrying amount is as given below :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
With in 1 month	**1,505**	1,110	6,841
1 to 3 months	**1,545**	1,598	13,093
3 to 6 months	**2,320**	2,496	16,521
6 months to 1 year	**4,127**	5,332	20,899
1 to 2 years	**2,924**	10,578	12,420
2 to 3 years	**-**	3,513	11,940
More than 3 years	**-**	-	3,927

Assignment

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Number of Direct Assignments	**1**	1	1
Total amount of Loans directly transferred / Assigned	**11,111**	11,111	11,111
Carrying amount of transferred asset	**1,353**	3,926	6,873
Total amount of exposures retained by the Group to comply with	**-**	-	-
Minimum Retention Requirement (MRR) as on the Date of Balance Sheet	**-**	-	-
a) Off-balance sheet exposures	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-
b) On-balance sheet exposures	**-**	-	-
First loss	**-**	-	-
Others	**112**	382	684
Amount of exposure to Assignement transactions other than MRR	**-**	-	-
a) Off-balance sheet exposures	**-**	-	-
i) Exposure to own Assignement	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-
ii) Exposure to third party Assignement	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-
b) On-balance sheet exposures	**-**	-	-
i) Exposure to own Assignement	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-
ii) Exposure to third party Assignement	**-**	-	-
First loss	**-**	-	-
Others	**-**	-	-

The maturity of the carrying amount is as given below :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
With in 1 month	**400**	293	208
1 to 3 months	**317**	375	362
3 to 6 months	**371**	589	568
6 months to 1 year	**264**	1,269	1,227
1 to 2 years	**-**	1,400	2,869
2 to 3 years	**-**	-	1,639
More than 3 years	**-**	-	-

As per the agreement, the Group has an option to re-purchase the financial asset derecognised when the carrying value of such assets is less than or equal to 10% of the original amount sold to the SPV.

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

33 Related party disclosures

33.1 List of related parties and nature of relationship

Relationship	Name of the party
Key Management Personnel	S Bhaskar, Executive Director and CEO
	R Srimathy, Chief Financial Officer
	Jayashree S Iyer, Company Secretary (till November 2, 2018)
	Deepti R, Company Secretary (w.e.f November 3, 2018)
Independent / Non Executive Directors	Mr Rangachary N, Chairman
	Mr Arun Ramanathan
	Ms Jayshree Ashwinkumar Vyas
	Mr Rajaraman P V
	Mr Viswanatha Prasad S
	Mr Yogesh Chand Nanda (Ceased w.e.f. March 28, 2019)
	Mr. Raghavan M S (Resigned w.e.f April 27, 2018)
	Mr. Kuppuswamy P T (Resigned w.e.f September 27, 2017)
Enterprises over which the Group or its Key management personnel is able to exercise significant influence	Equitas Development Initiatives Trust
	Equitas Dhanyakosha India
	Equitas Healthcare Foundation (w.e.f. March 13, 2018)

33.2 Transactions with the Related Parties

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Income		
Rental Income		
Equitas Development Initiatives Trust	**215**	-
Rental Income		
Interest on term deposits		
Equitas Development Initiatives Trust	**0**	0
Contribution for creating Trust		
Equitas Healthcare Foundation	**-**	0
Donation		
Equitas Development Initiatives Trust	**895**	259
Equitas Healthcare Foundation	**30**	
Remuneration to Key Managerial Personnel *		
S Bhaskar, Executive Director and CEO	**63**	60
S Vasudevan, Chief Financial officer (till July 31, 2017)	**-**	16
R Srimathy, Chief Financial Officer (from August 1, 2017)	**16**	9
Jayashree Iyer, Company Secretary (till 2nd Nov 18)	**31**	24
Deepti R, Company Secretary (from 3rd Nov 18)	**3**	-
* excludes employer's contribution to various funds, non-monetary perquisites and provisions made for gratuity and leave benefits, as these are determined for the Company as a whole		
Remuneration / Sitting Fees to Non-Executive Directors	**40**	25
Other Transactions		
Deposits received		
Equitas Development Initiatives Trust	**4**	4
Saving Deposits and Interest		
Equitas Development Initiatives Trust	**2,330**	1,573
Demand Deposits		
Equitas Dhanyakosha India	**0**	52
Withdrawals and fund transfers from Savings Deposits		
Equitas Development Initiatives Trust	**1,978**	1,551
Withdrawals and fund transfers from Demand Deposits		
Equitas Dhanyakosha India	**0**	52
Loss assets written-off		
Equitas Dhanyakosha India	**-**	69

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
In FY 18, the Company's lien marked deposit to the extent of ₹ 68.69 lakh was enforced in respect of the overdraft facilities availed by Equitas Dhanyakosha India from a bank. The amount has been written off considering its recoverability status.		
Deposits under lien given as security for overdraft facilities		
Equitas Development Initiatives Trust	-	350
Other Transactions		
Reimbursement of Group Mediclaim Insurance		
Equitas Development Initiatives Trust	22	-
Staff Loan transferred in		
Equitas Dhanyakosha India	-	1
Staff Loan transferred out		
Equitas Development Initiatives Trust	-	0

(Under the ESOP Scheme 2015, 6,858 shares (previous year - 1,197) were allotted to Key Managerial Personnel)

The remuneration to KMP does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

The options vested and outstanding for the key managerial peronnel as of March 31, 2019 and March 31, 2018 is as provided below:

As at March 31, 2019

Name of the KMP	Grant Date	Expiry date	Exercise Price	No of options
Bhaskar S	05-Jul-16	01-Aug-20	184	24,300
Srimathy Raghunathan	09-May-14	30-Jun-21	43	798
Srimathy Raghunathan	01-Jul-16	01-Jul-21	178	1,225
Deepti R	05-Aug-16	01-Sep-21	173	607
				26,930

As at March 31, 2018

Name of the KMP	Grant Date	Expiry date	Exercise Price	No of options
Bhaskar S	05-Jul-16	01-Aug-20	184	24,300
Srimathy Raghunathan	09-May-14	30-Jun-20	43	378
Srimathy Raghunathan	01-Jul-16	01-Jul-20	178	580
Jayashree S Iyer	09-May-14	30-Jun-20	43	2,700
Jayashree S Iyer	07-Nov-15	31-Dec-20	70	1,458
Jayashree S Iyer	09-May-12	30-Jun-19	40	1,620
				31,036

iii. Balances outstanding at the end of the year

Particulars	Name of the Related Party	As at March 31, 2019	As at March 31, 2018
Payables			
Term Deposit outstanding	Equitas Development Initiatives Trust	8	4
	Key Managerial Personnel	100	74
Interest Payable on term deposits	Equitas Development Initiatives Trust	0	0
	Key Managerial Personnel	1	1
Demand Deposits	Equitas Dhanyakosha India	2	2
Savings Deposit	Equitas Development Initiatives Trust	383	32
	Equitas Healthcare Foundation	1	-
	Key Managerial Personnel	212	82

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

34 Segment reporting

In accordance with Ind AS 108, business segments have been identified as Primary Segments.

Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. The Group has its business only in India; hence, there are no Geographical segments.

For the year ended March 31, 2019

	Particulars	Banking and finance	Others	Unallocated	Total
I	**Segment revenue**				
	Revenue from operations				
	Interest income	**2,19,445**	**19**	**-**	**2,19,464**
	Revenue from contract with customers	**7,353**	**171**	**-**	**7,524**
	Net gain on fair value changes	**327**	**-**	**-**	**327**
	Rental income	**-**	**215**	**-**	**215**
	Total revenue from operations	**2,27,125**	**405**	**-**	**2,27,530**
	Other income	**8,316**	**7**	**-**	**8,323**
	Total Income	**2,35,441**	**412**	**-**	**2,35,853**
II	**Segment Expenses**				
	Finance costs	**95,893**	**-**	**-**	**95,893**
	Impairment on Financial Instruments	**10,129**	**-**	**-**	**10,129**
	Employee benefits expenses	**56,415**	**351**	**-**	**56,766**
	Depreciation, amortisation and impairment	**9,177**	**99**	**-**	**9,276**
	Others expenses	**36,136**	**522**	**-**	**36,658**
	Total Expense	**2,07,750**	**972**	**-**	**2,08,722**
III	**Segment results (Profit before tax)**	**27,691**	**-560**	**-**	**27,131**
	Tax expenses	**-**	**-**	**9,474**	**9,474**
	Profit after tax				**17,657**
V	**Segment Assets**	**15,61,650**	**9,675**	**-**	**15,71,325**
VI	**Segment Liabilties**	**13,23,646**	**3,309**	**-**	**13,26,955**
VII	**Capital employed**	**2,38,004**	**6,366**	**-**	**2,44,370**
	(Segment Assets - Segment Liabilities)				

For the year ended March 31, 2018

	Particulars	Banking and finance	Others	Unallocated	Total
I	**Segment revenue**				
	Revenue from operations				
	Interest income	1,61,157	38	-	1,61,195
	Revenue from contract with customers	4,325	243	-	4,568
	Net gain on fair value changes	-1,030	-	-	-1,030
	Total revenue from operations	**1,64,452**	**281**	**-**	**1,64,733**
	Other income	13,221	14	-	13,235
	Total Income	**1,77,673**	**295**	**-**	**1,77,968**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

	Particulars	Banking and finance	Others	Unallocated	Total
II	**Segment Expenses**				
	Finance costs	66,912	-	-	66,912
	Impairment on Financial Instruments	16,208	-	-	16,208
	Employee benefits expenses	54,514	471	-	54,985
	Depreciation, amortisation and impairment	8,751	162	-	8,913
	Others expenses	28,290	770	-	29,060
	Total Expense	**1,74,675**	**1,403**	**-**	**1,76,078**
III	**Segment results (Profit before tax)**	2,998	-1,108	-	1,890
	Tax expenses	-	-	525	525
	Profit after tax				**1,365**
V	**Segment Assets**	13,35,411	9,314	-	13,44,725
VI	**Segment Liabilties**	11,16,278	3,423	-	11,19,701
VII	**Capital employed**	2,19,133	5,891	-	**2,25,024**
	(Segment Assets - Segment Liabilities)				

35 Investment in subsidiaries and structured entities

Consolidated Subsidiaries

The consolidated financial statements include the financial statements of Group and its subsidiaries. Group does not have any joint ventures or associates. Equitas Holdings Limited is the ultimate parent of the Group.

Significant subsidiaries of Group are:

Name of subsidiary	Country of incorporation	% equity interest	% equity interest	% equity interest
		31-Mar-19	31-Mar-18	01-Apr-17
Equitas Small Finance Bank Limited	India	**100%**	100%	100%
Equitas Technologies Private Limited	India	**99.50%**	99.50%	100%

36 Retirement benefit plan

36.1 Defined contribution plan

Provident Fund

The group makes Provident Fund contributions to State administered fund for qualifying employees. The group is required to contribute a specified percentage of the payroll costs to the Fund. The Company recognised ₹ 2,875 lakh (Previous Year: ₹ 2,745 lakh) towards Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the fund by the group is at rates specified in the rules of the scheme.

36.2 Defined Benefit Plans

Gratuity

The Group has a funded gratuity scheme for its employees and the Gratuity liability has been made based on the actuarial valuation done as at the year end. The details of actuarial valuation as provided by the Independent Actuary is as follows:

Particulars	March 31, 2019	March 31, 2018
Change in defined benefit obligations during the Year		
Present value of defined benefit obligation at beginning of the year	**1,806**	1,373
Current service cost	**743**	642
Interest cost	**157**	88
Benefits paid	**-164**	-139
Remeasurement effect of experience adjustments	**-173**	-158
Present value of Defined Benefit Obligation at End of the Year	**2,370**	**1,806**

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Change in Fair Value of Assets during the Year		
Plan Assets at beginning of the year	**1,185**	1,049
Add: Adjustments to the opening balance	**-**	136
Expected return on plan assets	**118**	80
Actual company contributions	**878**	-
Benefits paid out of the asset	**-**	-
Return on plan assets excluding expected income	**-118**	-80
Plan Assets at End of the Year	**2,063**	**1,185**
Liability Recognised in the Balance Sheet		
Present value of defined benefit obligation	**2,370**	1,806
Fair value of plan assets	**2,063**	1,185
Net Liability Recognised in the Balance Sheet	**306**	**621**
Cost of Defined Benefit Plan for the Year		
Current service cost	**743**	642
Net interest cost	**157**	88
Expected return on plan assets	**-118**	-80
Remeasurements (recognised in OCI)		
a. Effect of experience adjustments	**173**	158
b. (Return) on plan assets	**-118**	-80
Net Cost Recognised in statement of profit and loss and OCI	**837**	**727**
Employer expense (P&L)		
Current service cost	**743**	642
Net interest cost	**157**	88
Expected return on plan assets	**-118**	-80
Total expenses recognised in statement of profit and loss	**783**	**650**
Remeasurement		
Effect of experience adjustments	**173**	158
(Return) on plan assets	**-118**	-80
Total remeasurement loss / (gain) recognised in OCI	**55**	**78**

Particulars	March 31, 2019	March 31, 2018
Acturial Assumptions		
Discount rate (Refer Note (b))	**7.01%**	7.28%
Interest rate (Estimated rate of return on assets)	**8.05%**	8.05%
Future salary increase (Refer Note (a))	**10.00%**	10.00%
Attrition rate (Refer Note (a))	**20.00%**	20.00%

Notes:

a) The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors. Further, the Management revisits the assumptions such as attrition rate, salary escalation etc., taking into account, the business conditions based on external and internal factors.

b) Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Experience Adjustments:

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015
Projected benefit obligation	**2,370**	1,806	1,353	219	117
Fair value of plan assets	**2,063**	1,185	1,049	299	163
Surplus/ (Deficit)	**-306**	-621	-304	80	46
Experience adjustments on plan liabilities - gains	**-173**	-158	664	-4	-1
Experience adjustments on plan assets - gains / (losses)	**-118**	-80	-104	-25	-

	Amount
Expected payment for future years	8,785
Within the next 12 months (next annual reporting period)	49
Between 2 and 5 years	207
Between 5 and 10 years	8,529
Beyond 10 years	-

Sensitivity

The Defined Benefit Obligation (D.B.O) is sensitive to changes in the Discount Rate, the Salary Escalation Rate and the Staff Exit Rate.	
Discount Rate: An increase in Discount Rate reduces the D.B.O. and vice versa	
In this case, an increase of 0.5% of Discount rate would decrease D.B.O by:	-2.31%
Similarly, a decrease by 0.5% will increase D.B.O by:	2.40%
Salary Escalation Rate: An increase in Salary Escalation Rate increases the D.B.O, and vice versa	
In this case, an increase of 0.5% of salary escalation rate would increase D.B.O by:	2.40%
Similarly, a decrease by 0.5% will decrease D.B.O by:	-2.31%
Staff Exit Rate: The direction of movement of D.B.O for changes in the Exit Rate would depend on the relative values of the Discount Rate and the Salary Escalation Rate.	
In this case, an increase of 0.5% of Staff Exit rate would change D.B.O by:	-0.32%
Similarly, a decrease by 0.5% will change D.B.O by:	0.33%

Particulars	Discount Rate		Future Salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on D.B.O	-55	57	57	-55

Compensated Absences

The key assumptions used in the computation of provision for compensated absences as per the Actuarial Valuation done by an Independent Actuary are as given below:

Assumptions	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount Rate	**7.01%**	7.28%
Future Salary Increase	**10.00%**	10.00%
Mortality Rate	**Indian Assured Lives (2006 -08)**	Indian Assured Lives (2006 -08)
Attrition rate	**20.00%**	20.00%

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Sensitivity	
The Defined Benefit Obligation (D.B.O) is sensitive to changes in the Discount Rate, the Salary Escalation Rate and the Staff Exit Rate.	
Discount Rate: An increase in the Discount rate reduces the DBO, and vice versa	
In this case, an increase of 0.5% of Discount rate would decrease DBO by:	-2.35%
Similarly, a decrease by 0.5% will increase D.B.O by:	2.45%
Salary Escalation Rate: An increase in Salary Escalation Rate increases the DBO, and vice versa	
In this case, an increase of 0.5% of salary escalation rate would increase DBO by:	2.45%
Similarly, a decrease by 0.5% will decrease DBO by:	-2.35%
Staff Exit Rate: The direction of movement of DBO for changes in the Exit Rate would depend on the relative values of the Discount Rate and the Salary Escalation Rate.	
In this case, an increase of 0.5% of Staff Exit rate would change DBO by:	-0.33%
Similarly, a decrease by 0.5% will change DBO by:	0.35%

Particulars	Discount Rate		Future Salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on D.B.O	97	-101	-101	97

37 Maturity analysis of assets and liabilities

Assets	31 March, 2019			31 March, 2018			31 March, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	**1,14,643**	**10,895**	**1,25,538**	88,616	26,215	**1,14,831**	82,181	17,406	**99,587**
Bank balance other than cash and cash equivalents	**177**	**353**	**530**	5,561	871	**6,432**	6,924	5,828	**12,752**
Loans and advances	**4,37,446**	**7,19,991**	**11,57,437**	3,16,129	4,69,380	**7,85,509**	2,96,478	3,17,387	**6,13,865**
Investment	**1,65,472**	**69,118**	**2,34,590**	2,79,973	1,05,775	**3,85,748**	58,092	1,31,393	**1,89,485**
Fixed Assets	**-**	**23,759**	**23,759**	-	28,245	**28,245**	-	28,902	**28,902**
Investment property	**-**	**5,450**	**5,450**	-	4,800	**4,800**	-	3,926	**3,926**
Other Financial Asset	**6,128**	**2,671**	**8,799**	4,871	4,377	**9,248**	11,891	1,233	**13,124**
Other non-financial assets	**1,431**	**-**	**1,431**	1,436	-	**1,436**	1,262	-	**1,262**
Current tax asset	**-**	**1,448**	**1,448**	-	689	**689**	-	954	**954**
Deferred tax asset	**-**	**12,343**	**12,343**	-	7,787	**7,787**	-	4,493	**4,493**
Total assets	**7,25,297**	**8,46,028**	**15,71,325**	**6,96,586**	**6,48,139**	**13,44,725**	**4,56,828**	**5,11,522**	**9,68,350**
Financial liabilities									
Borrowings	**1,59,718**	**2,37,424**	**3,97,142**	3,18,148	2,01,948	**5,20,096**	2,40,599	2,69,790	**5,10,389**
Deposits	**5,41,887**	**3,40,984**	**8,82,871**	3,66,293	1,88,833	**5,55,126**	85,169	1,03,413	**1,88,582**
Equity	**-**	**2,44,370**	**2,44,370**	-	2,25,024	**2,25,024**	-	2,19,040	**2,19,040**
Total outstanding dues of creditors other than micro enterprises and small enterprises	**8,426**	**-**	**8,426**	7,174	-	**7,174**	6,864	-	6,864
Other financial liabilities	**27,790**	**3,236**	**31,026**	24,807	4,017	**28,824**	35,296	1,509	**36,805**
Other Non-financial liabilities	**893**	**-**	**893**	1,030	-	**1,030**	741	-	**741**
Provisions	**1,990**	**4,458**	**6,448**	2,173	5,176	**7,349**	1,658	4,010	**5,668**
Current tax liabilities	**149**	**-**	**149**	102	-	**102**	261	-	**261**
Total liabilities	**7,40,853**	**8,30,472**	**15,71,325**	**7,19,727**	**6,24,998**	**13,44,725**	**3,70,588**	**5,97,762**	**9,68,350**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

38 Change in liabilities arising from financing activities

Particulars	As at 1 April 2018	Cash flows	Other	As at 31 March 2019
Debt securities	200,162	-1,52,500	242	**47,904**
Borrowings other than debt securities	3,19,934	29,252	52	**3,49,238**
Deposits	5,55,126	3,27,723	22	**8,82,871**
Total liabilities from financing activities	**10,75,222**	**2,04,475**	**316**	**12,80,012**

Particulars	As at 1 April 2017	Cash flows	Other	As at 31 March 2018
Debt securities	2,81,246	-81,324	240	2,00,162
Borrowings other than debt securities	2,29,143	90,656	135	3,19,934
Deposits	1,88,582	3,66,550	-6	5,55,126
Total liabilities from financing activities	**6,98,971**	**3,75,882**	**369**	**10,75,222**

Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees.

39 Contingent liabilities, commitments and leasing arrangements

To meet the financial needs of customers, the Group enters into various irrevocable commitments, which primarily consist of undrawn commitment to lend. Further the Group is also exposed to contingent liabilities arising from legal claims.

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the company not acknowledged as debts		
- Service Tax Matters	**87**	87
- Provident Fund	**-**	188
- Income Tax	**1,079**	1,081
Guarantees given on behalf of constituents in India	**3,070**	2,928
Guarantees for loans taken	**5,200**	20,200
Loan commitment	**11,421**	18,852
Estimated amount of contracts remaining to be executed on capital account and not provided for	**15**	62
Total	**20,872**	**43,398**

Claims against the Group not acknowledged as debts includes liability on account of Service tax, and other legal cases filed against the group. The Group is a party to various legal proceedings in the ordinary course of business which are contested by the Group and are therefore subjudice. The Group does not expect the outcome of these proceedings to have a material adverse impact on the Group's financial position.

Guarantees represent irrevocable assurances given by the Group on securitized assets, to make payments in the event of customers failing to fulfil their financial obligations.

39.1 Legal claims

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Group is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Group has formal controls and policies for managing legal claims.

i. Matters wherein management has concluded the Group's liability to be probable have accordingly been provided for in the books (included under Note 16).

ii. Matters wherein management has concluded the Group's liability to be possible have accordingly been disclosed in Note 39.

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

iii. Matters wherein management is confident of succeeding in these litigations and have concluded the Group's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

40.1 Operating Lease - as lessee

The Group has taken a number of premises on operating leases for branches, offices, ATMs and residential premises for staffs. The details of maturity profile of future operating lease payments are given below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Future lease rentals payable at the end of the year			
- Not later than one year	**4,499**	4,726	3,607
- Later than one year but not later than five years	**19,731**	18,327	12,945
- Later than five years	**8,881**	12,623	12,212
Total minimum lease payments recognised in the Profit and loss account	**5,906**	**5,697**	**2,609**
Total of future minimum sub lease payments expected to be received under non-cancellable sub-lease	**-**	**-**	**-**

40.2 Operating Lease - as lessor

The Group has provided premises on operating leases for running schools. The details of maturity profile of future operating lease receivable are given below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Future lease rentals payable at the end of the year		
- Not later than one year	**215**	-
- Later than one year but not later than five years	**862**	-
- Later than five years	**4,218**	-
Total minimum lease rent recognised in the Profit and loss account	**215**	**-**
Total of future minimum sub lease payments expected to be received under non-cancellable sub-lease	**-**	**-**

The Group has not sub-leased any of the properties taken on lease. There are no provisions relating to contingent rent.

41 Capital

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI) of India. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI.

The Group has complied in full with all its externally imposed capital requirements over the reported period.

41.1 Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

42 Proposed scheme of arrangement

As a precondition to small finance bank licensing guidelines issued by the Reserve Bank of India, amongst other conditions, the subsidiary bank is required to be listed within 3 years from the date of commencement of operations (i.e 5th September 2016). Accordingly, the Board of Directors of the Bank have approved a Composite Scheme of arrangement under the provisions of Section 230 read with Section 52 and other applicable provisions of the Companies Act 2013 (the "Proposed Scheme"), between Equitas Holdings Limited, Equitas Small Finance Bank

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Limited and their respective shareholders, for issuance and allotment of fully paid up equity shares of Equitas Small Finance Bank Limited to the shareholders of Equitas Holdings Limited, and consequent reduction in the securities premium, revenue and other reserves and the surplus in profit and loss account of Equitas Small Finance Bank Limited. The Proposed Scheme is subject to the approval of the Reserve Bank of India ('RBI'), the Securities Exchange Board of India ('SEBI'), the respective shareholders and creditors of each of the entities and the National Company Law Tribunal ('NCLT'). The appointed date and effective date of the Proposed Scheme is based on the receipt of the aforesaid approvals. Pending the same, the Proposed Scheme does not have any impact on the current financial results or the financial position of the Group as at March 31, 2019. Considering the same, the Management is confident of meeting the conditions as per licensing guidelines and does not foresee any material uncertainty in this regard.

43 Fair value measurement

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 3.2

Valuation governance

The Group's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. The independent price verification process for financial reporting is ultimately the responsibility of the independent price verification team within Finance which reports to the Chief Financial officer.

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Mar-19	Level 1	Level 2	Level 3	Total
Asset measured at fair value on recurring basis				
Debt securities	126,301	-	-	126,301
Equity instruments	-	-	20	20
Total financial investments at FVOCI	126,301	-	20	**126,321**
Staff loan	-	-	1,094	1,094
Security deposit	-	-	1,692	1,692
Total financial assets measured at fair value on recurring basis	126,301	-	2,806	**129,107**
Liabilities measured at fair value on recurring basis				
Staff deposit	-	-	1,898	1,898
Total financial assets measured at fair value on recurring basis	-	-	1,898	**1,898**

Mar-18	Level 1	Level 2	Level 3	Total
Asset measured at fair value on recurring basis				
Debt securities	287,398	-	-	287,398
Equity instruments	-	-	20	20
Mutual fund	2,513	-	-	2,513
Total financial investments at FVOCI	289,911	-	20	**289,931**
Staff loan	-	-	759	759
Security deposit	-	-	1,592	1,592
Total financial assets measured at fair value on recurring basis	289,911	-	2,371	**292,282**
Liabilities measured at fair value on recurring basis				
Staff deposit	-	-	843	843
Total financial liability measured at fair value on recurring basis	-	-	843	**843**

Mar-17	Level 1	Level 2	Level 3	Total
Asset measured at fair value on recurring basis				
Debt securities	82,491	-	-	82,491
Equity instruments	-	-	20	20
Total financial investments at FVOCI	82,491	-	20	**82,511**
Financial assets designated at fair value through profit or loss				
Government debt securities	46,209	-	-	46,209
Total financial investments at FTVPL	46,209	-	-	**46,209**
Staff loan	-	-	598	598
Security deposit	-	-	960	960
Total financial assets measured at fair value on recurring basis	128,700	-	1,578	**130,278**
Liabilities measured at fair value on recurring basis				
Staff deposit	-	-	859	859
Total financial liability measured at fair value on recurring basis	-	-	859	**859**

Fair value of financial instruments not measured at fair value

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in Notes 48.4 and 48.5

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, Contract assets, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet .

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Loans to customers
The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for delinquencies, interest rate risk, remaining tenor, etc. Credit risk for large corporate and a subset of the small business lending, when appropriate, is derived from market observable data, Fair values of consumer lending and mortgage portfolios are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The Group then calculates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans.

Financial asset at amortised cost
The fair values financial of held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Debt securities
The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Off-balance sheet positions
Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

31-Mar-19	Notional amount	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	125,538	125,538	-	-	125,538
Bank balance other than cash and cash equivalents	530	530	-	-	530
Loans and advances	1,156,343	-	-	1,164,532	1,164,532
Financial assets (At amortised Cost)					-
Government debt securities	108,269	109,186	-	-	109,186
Other Financial Asset	7,107	-	-	7,107	7,107
Total financial assets	**1,397,787**	**235,254**	**-**	**1,171,639**	**1,406,893**
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,426	-	-	8,426	8,426
Debt securities	47,904	47,904	-	-	47,904
Borrowings (other than debt securities)	349,238	349,238	-	-	349,238
Deposits	880,973	-	-	880,973	880,973
Other financial liabilities	31,026	-	-	31,026	31,026
Total financial liabilities	**1,31,7567**	**397,142**	**-**	**920,425**	**1,31,7567**

31-Mar-18	Notional amount	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	114,831	114,831	-	-	114,831
Bank balance other than cash and cash equivalents	6,432	6,432	-	-	6,432
Loans and advances	784,750	-	-	775,360	775,360
Financial assets (At amortised cost)					
Government debt securities	95,817	95,362	-	-	95,362
Other Financial Asset	7,656	-	-	7,656	7,656
Total financial assets	**1,009,486**	**216,625**	**-**	**783,016**	**999,641**
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,174	7,174	-	-	7,174
Debt securities	200,162	200,162	-	-	200,162
Borrowings (other than debt securities)	319,934	319,934	-	-	319,934
Deposits	554,283	-	-	554,283	554,283
Other financial liabilities	28,824	-	-	28,824	28,824
Total financial liabilities	**1,110,377**	**527,270**	**-**	**583,107**	**1,110,377**

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

31-Mar-17	Notional amount	Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	99,587	99,587	-	-	99,587
Bank balance other than cash and cash equivalents	12,752	12,752	-	-	12,752
Loans and advances	613,267	-	-	591,700	591,700
Financial assets (At amortised Cost)					-
Government debt securities	60,247	60,301	-	-	60,301
Other financial asset	12,164	-	-	12,164	12,164
Total financial assets	**798,017**	**172,640**	-	**603,864**	**776,504**
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,864	6,864	-	-	6,864
Debt securities	281,246	281,246	-	-	281,246
Borrowings (other than debt securities)	229,143	229,143	-	-	229,143
Deposits	187,723	-	-	187,723	187,723
Other financial liabilities	36,805	-	-	36,805	36,805
Total financial liabilities	**741,781**	**517,254**	**-**	**224,528**	**741,781**

44 Risk Management Framework

The Group always regard that managing the risks that affect its business as a fundamental activity, as they influence performance, reputation and future success. Effective risk management involves taking an integrated and balanced approach to risk and reward, and assists in achieving objectives of mitigating potential loss or damage and optimizing financial growth opportunities.

Risk management framework of the Group is aimed at aligning capital to business strategy, to protect Group's financial strength, reputation and to ensure support to various business activities while enhancing shareholder value.

The Group's risk structure has a "three lines of defense" concept, which ensures that risk management is part of the culture, and effectively cascaded throughout the Group. Responsibilities for risk management at each line of defense are defined, thereby providing clarity in the roles and responsibilities.

The Group has adopted the following "Three Lines of Defense" approach for risk management.

- At the first line of defense are the various business lines that the Group operates. The business lines assume risk-taking positions on a day-to-day basis within the approved framework and boundaries. There are executives or risk control units who manages and monitors the risk on an ongoing basis as per the laid out policies and processes.

- The second line of defense is made up of Risk Management Department, Finance and Compliance functions. This line provides assurance, challenge and oversight of the activities conducted by the first line and provides periodic reporting to the Board. The Risk management department is structured independent of the business units.

- The third line of defense is the audit function that provides an independent assessment of the first and second line of defense and reports to the audit committee of the Board.

The Group has designed this multi-layered risk structure that augments the risk evaluation and management capabilities, whilst also allows for the nimbleness required to adapt to the changing business and regulatory environment in an efficient and effective manner.

Risk Management Governance

Risk management is the responsibility of the Board of Directors, which approves risk policies and the delegation matrix. The Board is supported by various management committees as part of the Risk Governance framework. The Group operates within overall limits set by the Board and Committees to whom powers are delegated by the Board.

Risk Management Committee (RMC) is a Board level Sub committee, which decides risk policies and strategy for integrated risk management containing various risk exposures of the Group.

The Group has management level committees to address various risks viz. Credit Risk Management Committee for Credit Risk, Asset Liability Management Committee (ALCO) for ALM and Market Risk, Operational Risk Management Committee for Operational Risk, Information & Cyber Risk Committee for information security and management level Risk Management Committee for integrated risk management.

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The Audit Committee of the Board assists the Board in carrying out its oversight responsibilities as they relate to the company's financial and other reporting practices, internal control, and compliance with laws, regulations, and ethics. From risk management perspective, it review the adequacy of Group's risk management policies, processes and report the matter to the Board of Directors.

Risk Management Department
The Risk management department is vested with responsibility of risk management in the Group as per the guidelines of SFB by the regulator. The department is headed by Chief Risk Officer (CRO) who reports directly to the Managing Director of the Group. The department primarily addresses Credit risk, Operational risk, ALM & Market Risk and Information Security Risk.

The department has built risk management framework for each of the key risk areas as per the approaches and guidelines laid by the regulator (RBI). The department is responsible for the identification, measurement, monitoring and management of risks. The department has built internal capital adequacy assessment abilities and initiate preparation of risk profile and risk appetite requirements for the short-term goals and long term goals of the Group.

Credit Risk Management
Credit risk is defined as the possibility of losses due to credit rating downgrade, inability or unwillingness of a customer or counterparty to meet commitments (both principal and interest) in relation to lending, trading, settlement and other financial transactions. Accordingly, credit risk losses result from reduction in portfolio value arising from actual or perceived deterioration in credit quality.

Credit risk management system is required to identify, measure, monitor and control credit risks as well as to determine that Group holds adequate capital against credit risk and there is adequate compensation in risk reward trade off.

The Credit Risk Management Committee (CRMC), a Management Committee, shall review and monitor the adequacy and effectiveness of credit risk management framework. The Credit Risk Management function is responsible to lay down the credit risk management policy, monitor the risks and provide all required information to the committee, establish scoring and rating framework, assess capital for credit risk etc.

ALM & Market Risk Management
Market Risk may be defined as the possibility of loss to Group caused by changes in the market variables such as interest rates, credit spreads, equity prices, etc. The market risk for the Group is governed by 'Market Risk Policy' and 'Treasury & Investment Policy', which are approved by the Board. These policies ensure that transactions in debt and capital markets are conducted in accordance with acceptable business practices and are as per the extant regulatory guidelines.

Market Risk Management unit is independent of the dealing function and the settlements function. The unit is responsible for identifying and escalating any risk, limit excesses on a timely basis. The unit is also responsible to establish comprehensive risk management policy to identify, measure and manage liquidity and interest rate risk. The other responsibilities include a) to establish linkages between ALM system and other risk management systems in the Group in order to monitor the risks on an integrated basis b) To identify ALM risks associated with the Group's portfolio, develop appropriate risk measurement methodology for managing and mitigating the ALM Risk. c) To provide inputs for capital planning in order to meet the future funding requirements, with the set goal of profit planning / business growth. d) To conduct ALCO atleast on monthly basis to appraise the management for enabling informed decision making

Operational Risk Management
Operational Risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events, which includes but is not limited to legal risk. It is inherent in all activities arising out of a Group's business and operations and could result in financial losses, litigation, regulatory fines or other damage to the Group. The severity of impact on the Group, its employee and customers is dependent on the efficacy with which operational risk is managed by the Group. The goal is to keep operational risk at appropriate levels, in light of the Group's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment in which it operates. The objective of operational risk management function is to create robust policy to identify the inherent operational risk across all products & processes, measure monitor and control operational risk inherent in all such products / activities / processes, establish Key Risk Indicators through Risk Control Self-Assessment, and identify operational loss events. The Group's operational risk

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management committee (ORMC) is responsible for overseeing all material operational risks, responds to risk issues and ensures adequacy and effectiveness of operational risk controls.

Information & Cyber Security
The Group has an independent information security department, which addresses information and cyber security related risks. The Group has a defined governance structure in place under the Information Security & Cyber Risk Committee, which includes representatives from Business, Operations, IT, HR and other Risk Management functions that is responsible for overall IT Risks. Group Information and Cyber Risk Committee provides direction for mitigating the operational risk in IT security. This unit has put in place a risk-based Cyber-security framework to manage the threats arising from cyber security. The key responsibilities include a) to create mechanisms to identify and review the risk and impact of incidents b) to establish a suitable Cyber Crisis Management Plan (CCMP) , c) to ensure robust data security measures to protect and preserve customer and transaction data d) to establish and manage a Cyber Security Operations Centre (Cyber SOC) with capacity to monitor various logs / incidents in real time / near real time.

Enterprise Risk Management (ERM) Function
The key responsibilities of this ERM include:

- Assess and measure the Group risk profile, risk appetite, strategic plans and overall capital adequacy.

- Keep the Board, RMC and Senior Management informed of the ICAAP process, capital adequacy and major changes in capital assessments and risk management guidelines and ensure ICAAP is carried out at-least annually.

- Build and review stress-testing framework considering the inter-linkages of various risk factors.

Impairment Assessment
With the implementation of Indian Accounting Standard IndAS 109, the non-banking financial institutions are required to move from a standardized and regulatory approach to Expected Credit Loss model for recognizing an impairment allowance on their financials assets.

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL)).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group shall perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risksince origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs.

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For the purpose of ECL, the Group classify the Advances portfolio into Retail and Corporate Exposure as per Basel III criteria vide DBR.No.BP.BC.1/21.06.201/2015-16 dt. 1.7.2015 and further categorize the credit exposure based on Days past Due (DPD) status as of reporting period as below –

Exposure	Stage I	Stage II	Stage III
Retail	0-30 dpd	31-90 dpd	Above 90 dpd
Corporate	0-60 dpd	61-90 dpd	Above 90 dpd

For the purpose of staging, the Group also considers various other factors as mentioned below which might impair the credit quality in the near future though the exposure falls under Stage I based on DPD (Days Past Due) date status as of reporting period. The Group carefully evaluate the impact of below factors on those financial assets and accordingly categorize such assets under "Stage II" or "Stage III" as appropriate

- legal disputes
- Fraudulent incidents
- Breach of critical loan covenants, not waived by the Group
- Borrower filing bankruptcy
- Sginificant rating downgrade
- Dispute on title of the collateral securities

Computation of ECL
The Group calculates ECLs to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that expected to be received.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

a) Probability to Default

Probability of default (PD) is defined as the probability of whether the borrower will default on their obligations in the future. It is an unbiased estimate on the likelihood of the loan not being repaid by the borrower within a particular time. The Probability of Default is computed based on Group's assessment of the credit history of the borrower. The accounts which are more than 90 DPD are considered as default.

For retail loan portfolio, the Group uses Vintage model to compute PD. In Vintage model, for each financial year wise originated portfolio, the no of loans turned default during the entire loan tenure is mapped for every 12 month bucket ie no of loans went into default in first 12 months, no of loan went into default in next 12 month ie 13 to 24 months and so on. The marginal PD is arrived for each bucket as a % of total no of loans originated during each financial year. The Lifetime PD for each financial year wise portfolio is arrived by summing up the marginal PD across all buckets.

The overall marginal PD for each bucket is computed based on weighted average of the default rate of the entire portfolio originated across all previous financial years since inception. Similarly, the overall Lifetime PD is also computed based on weighted average method.

For Corporate exposures and MSE portfolio wherein no historic default data is available, the PD is computed based on External / Internal rating migration. For exposure, where external rating is not available, the internal rating is mapped to equivalent external rating and the relevant default rate as per CRISIL Rating migration matrix is applied.

The internal rating Grades are

Product	Grade	PD range across all stages
Micro and small enterprises loan	High	0.41% - 2.51%
	Standard	0.41% - 6.44%
	Potential Sub-standard	6.44%
	Defaulted and impaired / Not Impaired / individually impaired	100%
Vehicle Finance Loan	High	0.05% - 10.91%
	Standard	0.05% - 24.65%
	Potential Sub-standard	2.72% - 24.65%
	Defaulted and impaired / Not Impaired / individually impaired	100%

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Product	Grade	PD range across all stages
Housing Loan	High	0.38% - 7.55%
	Standard	0.38% - 13.67%
	Potential Sub-standard	13.67%
	Defaulted and impaired / Not Impaired / individually impaired	100%
Micro Finance Loan	High	0.11%-0.79%
	Standard	0.11%-1.60%
	Potential Sub-standard	1.60%
	Defaulted and impaired / Not Impaired / individually impaired	100%
Business Loan - Unsec	High	3.17%-3.75%
	Standard	3.17%-6.92%
	Potential Sub-standard	6.92%
	Defaulted and impaired / Not Impaired / individually impaired	100.00%
MSE & Financial Intermediaries	High	0.20%
	Standard	0.86%-3.83%
	Potential Sub-standard	3.83%
	Defaulted and impaired / Not Impaired / individually impaired	100.00%

Note : For VF, the overall PD range is provided considering the lowest PD and highest PD applicable at each portfolio segment level. Accordingly, the PD range shall be different for each portfolio segment viz., New CV, Used CV, Strategic funding, etc

b) Exposure at Default

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred

c) Loss Given Default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the Exposure at Default (EAD).

The Group computes Loss Given Default based on the historical recovery experience. The Group considers all components of collections / recovery of cash flows / collateral realisation and the timing of the receipt. For Vehicle Finance and Micro Finance portfolio, the Group computes LGD based on historical recovery experience. In case of other retail portfolio viz., Housing Loan and Loan against property portfolio, where there is no enough recovery experience primarily by way of collateral realisation is available, the Group computes the LGD based on net exposure which is equal to current exposure at default less discounted collateral value post applying appropriate haircut.

For Corporate and MSE portfolio where the portfolio vintage is not more than 2 years, the Group currently applies LGD rates as prescribed under FIRB vide RBI ref DBOD.No.BP.BC.67/21.06.202/2011-12 dt. 22.12.2011.

The PD, LGD thus computed are applied to the portfolio of the Group at the end of each reporting period as under

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to the EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

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Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan Commitment : When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments, the ECL is recognised along with advances

Portfolio Segmentation
While computing ECL, the Group segments the Portfolio based on the common risk drivers. The Group has bifurcated the Loan book as Retail and Corporate. The Retail book is further segmented into homogeneous pools based on various attributes viz., customer segment, Product, Loan ticket size, Loan to Value ratio, Geography, etc

Forward Looking Information
In its ECL models, the Group relies on a broad range of forward looking information as economic inputs,

such as:

- GDP growth
- IIP Index
- Consumer Price index

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

45 Overview of modified and forborne loans

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period, with the related modification loss suffered by the Group.

Particulars	2018-19	2017-18
Amortised costs of financial assets modified during the period	**26**	34
Net modification loss	**-**	**-**

The table below shows the gross carrying amount of previously modified financial assets for which loss allowance has changed to 12mECL measurement during the period:

Particulars	As at 31st March 2019			
	Post modification		Pre-modification	
	Gross carrying amount	Corresponding ECL	Gross carrying amount	Corresponding ECL
Facilities that have cured since modification and are now measured using 12mECLs (Stage 1)	75	0	75	51
Facilities that reverted to (Stage 2/3) LTECLs having once cured	-	-	-	-

The following tables provide a summary of the Group's forborne assets at March 31, 2019. Accounting policies for forbearance are described in Note 3.9

Particulars	31-Mar-19										
	Stage 1					Stage 3					
	Gross carrying amount	Temporary modification to T&Cs	Permanent modification to terms & conditions	Refinancing	Total performing forborne loans	Temporary modification to T&Cs	Permanent modification to T&Cs	Refinancing	Total non-performing forborne loans	Total forborne loans	Forbearance ratio (Note 1)
Loans											
Micro Finance Loans	543	-	519	-	519	-	24	-	24	543	0.13%
Total	543	-	519	-	519	-	24	-	24	543	0.13%

Note 1: Represents Total forborne loans/Gross Carrying amount

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Particulars	31-Mar-19										
	Gross amount of forborne loans				ECLs of forborne loans						
	Stage 1	Stage 2	Stage 3	Total	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Loans											
Micro Finance Loans	519	-	24	543	-	1	-	-	-	16	17
Total	519	-	24	543	-	1	-	-	-	16	17

The following tables provide a summary of the Group's forborne assets at 31 March, 2018. Accounting policies for forbearance are described in Note 3.9

Particulars	31-Mar-18										
	Stage 2					Stage 3					
	Gross carrying amount	Temporary modification to terms and conditions	Permanent modification to terms and conditions	Refinancing	Total performing forborne loans	Temporary modification to T&Cs	Permanent modification to T&Cs	Refinancing	Total non-performing forborne loans	Total forborne loans	Forbearance ratio Note 1
Loans											
Micro Finance Loans	164	-	-	-	-	-	164	-	-	164	0.07%
Total	164	-	-	-	-	-	164	-	-	164	0.07%

Note 1: Represents Total forborne loans/Gross Carrying amount

Particulars	31-March-18							
	Gross carrying amount			ECL on forborne loans				
	Stage 2	Stage 3	Total	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Loans								
Micro Finance Loans	-	164	164	-	-	112	-	112
Total	-	164	164	-	-	112	-	112

The following tables provide a summary of the Group's forborne assets at 1 April 2017. Accounting policies for forbearance are described in Note 3.9

Particulars	1-Apr-17										
		Stage 2				Stage 3					
	Gross carrying amount	Temporary modification to terms and conditions	Permanent modification to terms and conditions	Refinancing	Total performing forborne loans	Temporary modification to T&Cs	Permanent modification to T&Cs	Refinancing	Total non-performing forborne loans	Total forborne loans	Forbearance ratio Note 1
Loans											
Micro Finnance Loans	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note 1: Represents Total forborne loans/Gross Carrying amount

Particulars	1-Apr-17							
	Gross carrying amount			ECL on forborne loans				
	Stage 2	Stage 3	Total	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	Total
Loans								
Micro Finance Loans	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

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46 Total Market Risk exposure

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	31-Mar-19			31-Mar-18			1-Apr-17		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets									
Financial assets									
Cash and cash equivalents	**125,538**	**-**	**125,538**	114,831	-	114,831	99,587	-	99,587
Bank balance other than cash and cash equivalents	**530**	**-**	**530**	6,432	-	6,432	12,752	-	12,752
Loans and advances	**1,157,437**	**-**	**1,157,437**	785,509	-	785,509	613,865	-	613,865
Investment						-			-
At Amortised cost	**108,269**	**-**	**108,269**	95,817	-	95,817	60,247	-	60,247
Fair value through other comprehensive income	**126,321**	**-**	**126,321**	289,931	-	289,931	83,029	-	83,029
Fair value through profit and loss account	**-**	**-**	**-**	-	-	-	46,209	46,209	-
Other Financial Asset	**8,799**	**-**	**8,799**	9,248	-	9,248	13,124	-	13,124
Total	**1,526,894**	**-**	**1,526,894**	**1,301,768**	**-**	**1,301,768**	**928,813**	**46,209**	**882,604**
Financial liabilities									
Trade Payables									
Total outstanding dues of creditors other than micro enterprises and small enterprises	**8,426**	**-**	**8,426**	7,174	-	7,174	6,864	-	6,864
Debt securities	**47,904**	**-**	**47,904**	200,162	-	200,162	281,246	-	281,246
Borrowings (other than debt securities)	**349,238**	**-**	**349,238**	319,934	-	319,934	229,143	-	229,143
Deposits	**882,871**	**-**	**882,871**	555,126	-	555,126	188,582	-	188,582
Other financial liabilities	**31,026**	**-**	**31,026**	28,824	-	28,824	36,805	-	36,805
Total	**13,19,465**	**-**	**13,19,465**	**11,11,220**	**-**	**11,11,220**	**7,42,640**	**-**	**7,42,640**

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46.1 Analysis of Risk Concentration

The Group aims to maintain a diversified portfolio in terms of geography, industry, credit products, borrowers, groups, pricing and tenor. The concentration risks are managed through setting up a limit on exposure viz. limit on single counterparty exposure, group borrower exposure, Industry, sensitive sector exposure etc.

Sector-wise Analysis

31-Mar-19	Financial services	Government	Micro and small enterprises	Vehicle	Housing	Micro finance	Business Loan	MSE	Others	Total
Financial Assets										
Cash and cash equivalents	125,538	-	-	-	-	-	-	-	-	125,538
Bank balance other than cash and cash equivalents	530	-	-	-	-	-	-	-	-	530
Loans and advances	35,577	-	419,143	296,138	37,868	307,327	35,151	38,539	3,240	1,172,983
Debt instruments at amortised cost	-	108,269	-	-	-	-	-	-	-	108,269
Debt securities at fair value through OCI	-	126,301	-	-	-	-	-	-	20	126,321
Other Financial Asset	8,799	-	-	-	-	-	-	-	-	8,799
	170,444	**234,570**	**419,143**	**296,138**	**37,868**	**307,327**	**35,151**	**38,539**	**3,260**	**1,542,440**

31-Mar-18	Financial services	Government	Micro and small enterprises	Vehicle	Housing	Micro finance	Business Loan	MSE	Others	Total
Financial Assets										
Cash and cash equivalents	114,831	-	-	-	-	-	-	-	-	114,831
Bank balance other than cash and cash equivalents	6,432	-	-	-	-	-	-	-	-	6,432
Loans and advances	31,599	-	239,573	226,483	27,177	225,924	41,580	1,026	3,938	797,300
Debt instruments at amortised cost	-	95,817	-	-	-	-	-	-	-	95,817
Debt securities at fair value through OCI	89,106	200,805	-	-	-	-	-	-	20	289,931
Other Financial Asset	9,248	-	-	-	-	-	-	-	-	9,248
	251,216	**296,622**	**239,573**	**226,483**	**27,177**	**225,924**	**41,580**	**1,026**	**3,958**	**1,313,559**

31-Mar-17	Financial services	Government	Micro and small enterprises	Vehicle	Housing	Micro finance	Business Loan	MSE	Others	Total
Financial Assets										
Cash and cash equivalents	99,587	-	-	-	-	-	-	-	-	99,587
Bank balance other than cash and cash equivalents	12,752	-	-	-	-	-	-	-	-	12,752
Loans and advances	-	-	120,754	187,724	19,722	286,494	6,325	6,174	1,463	628,656
Debt instruments at amortised cost	-	60,247	-	-	-	-	-	-	-	60,247
Debt securities designated at fair value through profit and loss account	-	46,209	-	-	-	-	-	-		46,209
Debt securities at fair value through OCI	7,542	75,466	-	-	-	-	-	-	20	83,029
Other Financial Asset	13,124	-	-	-	-	-	-	-	-	13,124
	133,005	**181,922**	**120,754**	**187,724**	**19,722**	**286,494**	**6,325**	**6,174**	**1,483**	**943,604**

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46.2 Fair value of collateral and credit enhancements held

Although collateral can be an important mitigation of credit risk, it is the Group's practice to lend on the basis of the customer's ability to meet the obligations out of cash flow resources rather than placing primary reliance on collateral and other credit risk enhancements. Based on the risk perception, the Group shall obtain sufficient and suitable tangible collateral securities, wherever required.

The Group's loans are secured by way of first and exclusive charge on all collaterals. In case of Vehicle loans, the Group values the vehicle through proforma/tax invoice for new vehicles and valuation by registered valuer for Used Vehicles. Hypothecation endorsement is obtained in favour of the Bank in the Registration Certificate of the Vehicle funded under the vehicle loans.

In case of Loan against property and Housing loan, the value of the property at the time of origination will be arrived by obtaining valuation reports from the Group's empanelled valuer. Security interest is created by Mortgage through deposit of title deeds, which is registered wherever required by law, with the Sub-Registrar having jurisdiction over the immovable property.

For working capital loans, apart from the charge on the immovable property, hypothecation on current assets are created. 70% of the Company's loans are secured by way of collateral.

In case of recovery from customer through realization of collateral, any surplus remaining after settlement of debt by way of sale of collateral is refunded to the customer / borrower.

47 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Liquidity refers to the Bank's ability to fund increase in assets or withdrawals of liabilities and meet both expected and unexpected cash and collateral obligations at reasonable cost without adversely affecting its financial condition and liquidity risk arises where the Group is unable to meet such obligations. The Bank's Asset Liability Management Committee (ALCO) is responsible for overseeing the management and governance of liquidity risk.

Liquidity risk management in the Group is governed by Board approved Asset Liability Management (ALM) Policy which provides the framework for its monitoring & management. The Bank actively manages its liquidity risk covering both market funding risk and market liquidity risk. The Bank maintains a diversified funding profile with emphasis on building retail franchise to increase customer deposits. The Bank ensures that there is sufficient liquidity headroom available, including liquid assets, at all times to manage any contingency.

Liquidity risk is assessed from both structural and dynamic perspective and the Bank uses various approaches like stock approach, cash flow approach & stress test approach to assess liquidity risk. The Bank uses liquidity gap analysis to measure cash flow mismatches at different time bands. The cash flows are bucketed based on the residual maturity or expected behaviour of assets, liabilities and off-balance sheet items. Bank also manages its liquidity on a dynamic basis to supplement the liquidity gap analysis by estimating net cash outflow or inflows for business units considering their business projection for the next 3 months. The Bank also employs stock approach to assess various aspects of liquidity risk such as stability of funds, liquid assets cover, funding concentration, etc.

47.1 Maturity Pattern

Analysis of Maturity pattern of Assets and Liabilities by remaining residual maturities as at 31 March 2019:

PARTICULARS	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	20,251	14,487	23,108	232	58,078
Bank balance other than cash and cash equivalents	79,968	87	-12,092	-	67,963
Advances (including receivables)	142,561	308,664	575,950	146,954	1,174,129
Investments	105,313	60,159	67,621	1,352	234,445
Other assets	1,436	9,531	623	3,074	14,664
Deposits	228,810	316,989	342,298	69	888,166
Borrowings	34,845	134,520	237,156	307	406,828
Other liabilities	18,793	1,990	-	4,399	25,182

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(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Analysis of Maturity pattern of Assets and Liabilities by remaining residual maturities as at 31 March 2018:

PARTICULARS	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Cash and cash equivalents	15,635	1,420	585	26,215	43,855
Bank balance other than cash and cash equivalents	71,791	5,158	286	-	77,235
Advances	101,177	223,831	401,425	70,790	797,223
Investments	171,409	108,554	56,378	49,343	385,684
Other assets	2,565	6,521	163	2,700	11,949
Deposits	192,510	176,316	188,998	138	557,962
Borrowings	134,631	192,875	203,829	461	531,796
Other liabilities	22,151	2,692	525	3,162	28,530

Analysis of Maturity pattern of Assets and Liabilities by remaining residual maturities as at 31 March 2017:

PARTICULARS	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Cash and cash equivalents	7,990	730	3,142	17,414	29,276
Bank balance other than cash and cash equivalents	74,595	5,781	2,678	-	83,054
Advances	84,936	214,111	246,290	34,875	580,212
Investments	24,853	33,122	75,603	55,472	189,050
Other assets	12,536	972	228	1,506	15,242
Deposits	5,601	79,515	103,377	76	188,569
Borrowings	68,897	140,510	267,027	15,678	492,112
Other liabilities	29,193	-	-	764	29,957

47.2 Liquidity Coverage Ratio

The Group is adhering to the global minimum standard for liquidity ratio i.e Liquidity Coverage Ratio (LCR). It aims to ensure that a bank has a adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted into cash immediately to meet its liquidity needs for a 30 calendar day liquidity under stress scenario. High quality liquid assets (HQLA) under LCR are divided into two parts i.e. Level 1 HQLA which comprises of primarily cash, excess CRR, excess SLR securities and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in under stress conditions

47.3 Market risk

Market Risk may be defined as the possibility of loss to the Group caused by changes in the market variables such as interest rates, credit spreads, equity prices, etc. The market risk for the Group is governed by 'Market Risk Management Policy' and 'Treasury & Investment Policy', which are approved by the Board. These policies ensure that transactions in debt and capital markets are conducted in accordance with acceptable business practices and are as per the extant regulatory guidelines.

Market Risk Management unit is independent of the dealing function and the settlements function and reports directly to the Chief Risk Officer. The unit is responsible for identifying and escalating any risk, limit excesses on a timely basis. This unit ensures that market risks are identified, assessed, monitored and reported for management decision making.

The Group is having position in the trading book largely as liquidity buffer and not with the intent of any active trading. Group is therefore, largely keeping low duration money market instrument to keep the market risk very low. In FY 18-2019, the Group has also deployed market risk measurement tools like VaR, however considering the intent and type of portfolio maintained, it is only used to assess the quantum and direction of the risk rather using it for trading or loss limits.

47.4 Market risk (non-trading) – Interest Rate Risk

Adverse movements in interest rates can affect both interest earnings and fair or economic value of the financial instruments. The very nature of the financial intermediation business makes the Group susceptible to interest rate risk and unmanaged risk could potentially pose a significant threat to the Group's earnings and capital. Interest rate risk results from both trading book and banking book. The impact of interest rate risk on trading book is actively measured using trading book risk metrics like PV01, duration, etc. For banking book, interest rate risk arises through mismatches in re-pricing of interest rate sensitive assets (RSA), rate sensitive liabilities (RSL) and rate sensitive off-balance sheet items.

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

As interest rate risk can impact both net interest income (NII) and value of capital, it is assessed and managed from both earning and economic perspective. Assets Liabilities Management Committee (ALCO) is the guiding body for management of IRRBB in the Banking subsidiary and ensure adherence sets the overall policy and risk limits as approved by the Board. Earning at Risk (EaR) is a short term interest rate risk measure which assesses the change in NII by estimating the impact on interest income from rate sensitive assets and interest expense on rate sensitive liabilities including off-balance sheet items. The Group has set limit for change in NII for given change in interest rates to manage the re-pricing gaps. The Group also uses Economic Value of Equity (EVE), which is a long term risk measure to assess the change in value of equity due to change in economic value of asset and liabilities. The duration gap approach is used to determine the sensitivity of EVE. Modified duration is computed for all assets, liabilities (excluding equity capital) and rate sensitive derivatives to assess the Leveraged Duration Gap / Duration of Equity. Leveraged Duration gap is computed and is subject to interest rate shocks to assess the impact on EVE. The Group has defined a threshold for change in EVE as percentage of net-worth for a given change in interest rate.

48 Share based payments

On December 17, 2007, the Group established an Employees Stock Option Scheme 2007 (ESOP Scheme 2007). Under the plan, the Group is authorized to issue upto 5,620,000 Equity Shares of ₹ 10 each to eligible employees of the Group. Employees covered by the plan are granted an option to purchase shares of the holding company subject to the requirements of vesting. A Remuneration and Nomination Committee constituted by the Board of Directors of the holding company administers the plan.

During the year ended March 31, 2013, the Group established a new employee stock option scheme titled Equitas Employees Stock Option Scheme, 2012 (ESOP Scheme 2012) effective from November 10, 2012. Under the plan, the Group was authorized to issue upto 1,000,000 Equity Shares of ₹ 10 each to eligible employees of the Group. Further, the outstanding options under the ESOP Scheme 2007 has been transferred and made available for grant under the new scheme.

During the year ended March 31, 2014, the Group established a new employee stock option scheme titled Equitas Employees Stock Option Scheme, 2014 (ESOP Scheme 2014) effective from July 18, 2014. Under the plan, the Group was authorized to issue upto 10,500,000 Equity Shares of ₹ 10 each to eligible employees of the Group. Further, the outstanding options under the ESOP Scheme 2012 has been transferred and made available for grant under the new scheme.

During the year ended March 31, 2015, pursuant to the issue of bonus shares for the existing shareholders, the Group granted 2 additional options for every 1 option outstanding to be exercised as on the date of bonus issue. Further, the exercise price for each option was been reduced to one-third of the original exercise price determined at the grant date.

During the year ended March 31, 2016, the Group established a new employee stock option scheme titled Equitas Employees Stock Option Scheme, 2015 (ESOP Scheme 2015) effective from September 7, 2015. Under the plan, the Group was authorized to issue upto 22,200,000 Equity Shares of ₹ 10 each to eligible employees of the Group. Further, the outstanding options under the ESOP Scheme 2014 has been transferred and made available for grant under the new scheme.

As at March 31, 2019, 126,44,449 (As at March 31, 2018 - 17,981,734) options were outstanding, which were granted at various exercise prices. The following are the outstanding grants as at March 31, 2019:

ESOP Scheme after transfer	Vesting Period	Particulars	Date of Grant	Date of Board Approval	Exercise Price	Options granted	Method of settlement
ESOP Scheme 2007	30-Jun-11 to 30-Jun-14	Grant 6	26-Apr-10	26-Apr-10	33.34	563,534	Equity
ESOP Scheme 2007	31-Dec-11 to 31-Dec-14	Grant 7	27-Oct-10	27-Oct-10	40.00	1,268,988	Equity
ESOP Scheme 2007	30-Jun-12 to 30-Jun-15	Grant 8	13-May-11	13-May-11	40.00	586,458	Equity
ESOP Scheme 2007	31-Dec-12 to 31-Dec-15	Grant 9	2-Nov-11	2-Nov-11	40.00	594,045	Equity
ESOP Scheme 2007	30-Jun-13 to 30-Jun-16	Grant 10	9-May-12	9-May-12	40.00	605,985	Equity
ESOP Scheme 2007	31-Dec-13 to 31-Dec-16	Grant 11	7-Nov-12	7-Nov-12	40.00	783,306	Equity
ESOP Scheme 2012	30-Jun-14 to 30-Jun-17	Grant 12	4-May-13	4-May-13	40.00	633,150	Equity
ESOP Scheme 2012	31-Dec-14 to 31-Dec-17	Grant 13	15-Nov-13	15-Nov-13	40.00	2,202,225	Equity
ESOP Scheme 2012	30-Jun-15 to 30-Jun-18	Grant 14	9-May-14	9-May-14	43.34	2,934,600	Equity
ESOP Scheme 2014	31-Dec-15 to 31-Dec-18	Grant 15	12-Nov-14	12-Nov-14	55.00	4,051,650	Equity
ESOP Scheme 2014	30-Jun-16 to 30-Jun-19	Grant 16	7-May-15	7-May-15	65.00	2,268,400	Equity
ESOP Scheme 2014	31-Dec-16 to 31-Dec-19	Grant 17	7-Aug-15	7-Aug-15	70.00	2,321,850	Equity
ESOP Scheme 2015	31-Dec-16 to 31-Dec-19	Grant 18	6-Nov-15	6-Nov-15	70.00	4,382,650	Equity

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

ESOP Scheme after transfer	Vesting Period	Particulars	Date of Grant	Date of Board Approval	Exercise Price	Options granted	Method of settlement
ESOP Scheme 2015	01-Jul-17 to 01-Jul-20	Grant 19	1-Jul-16	1-Jul-16	178.00	7,597,900	Equity
ESOP Scheme 2015	01-Aug-17 to 01-Aug-20	Grant 20	4-Jul-16	4-Jul-16	184.00	838,500	Equity
ESOP Scheme 2015	01-Sep-17 to 01-Sep-20	Grant 21	5-Aug-16	5-Aug-16	173.00	1,840,150	Equity
ESOP Scheme 2015	01-Oct-17 to 01-Oct-20	Grant 22	10-Sep-16	10-Sep-16	182.00	2,007,200	Equity
ESOP Scheme 2015	01-Nov-17 to 01-Nov-20	Grant 23	21-Oct-16	21-Oct-16	183.00	2,038,500	Equity
ESOP Scheme 2015	01-Feb-18 to 01-Feb-21	Grant 24	1-Feb-17	1-Feb-17	165.00	5,063,450	Equity
ESOP Scheme 2015	05-May-18 to 05-May-21	Grant 25	5-May-17	5-May-17	164.00	2,610,600	Equity
ESOP Scheme 2015	16-Aug-18 to 16-Aug-21	Grant 26	16-Aug-17	16-Aug-17	156.00	400,000	Equity
ESOP Scheme 2015	31-Jan-19 to 31-Jan-22	Grant 27	31-Jan-18	31-Jan-18	151.00	137,150	Equity
ESOP Scheme 2015	01-May-19 to 01-May-22	Grant 28	27-Apr-18	27-Apr-18	151.00	400,000	Equity
ESOP Scheme 2015	01-Aug-19 to 01-Aug -22	Grant 29	27-Jul-18	27-Jul-18	140.00	650,000	Equity
ESOP Scheme 2015	1-Aug-19	Grant 30	27-Jul-18	27-Jul-18	140.00	495,115	Equity
ESOP Scheme 2015	02-Nov-19 to 02-Nov -22	Grant 31	2-Nov-18	2-Nov-18	113.00	136,000	Equity
ESOP Scheme 2015	2-Nov-19	Grant 32	2-Nov-18	2-Nov-18	113.00	11,000	Equity

* The outstanding options under the ESOP Scheme 2012 has been transferred and made available for grant under the new scheme Employees Stock Option Scheme, 2015 (ESOP Scheme 2015) effective from September 7, 2015 approved by the shareholders on June 22, 2016.

Exercise Period : Eligible to exercise the options during the next three years from the date of vesting.

Manner of vesting : Service condition:

In a graded manner over four years and one year period with 30%, 30%,20% and 20% of the grants vesting in each year commencing from the start date of the first tranche for four year options and full options vesting in a year for one year options.

Performance condition:

Subject to eligible employees meeting the specified performance conditions.

Movement of options outstanding under ESOP

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	**17,981,734**	**141.15**	26,777,878	133.09
Granted During the period	**1,692,115**	**140.25**	3,147,750	162.42
Exercised during the year	**1,031,522**	**56.69**	2,616,230	54.51
Expired during the year	**5,997,878**	**152.06**	9,327,664	149.51
Outstanding at the end of the year	**12,644,449**	**142.74**	17,981,734	141.15
Options exercisable at the end of the year	**6,321,259**	**136.36**	5,482,908	122.78

Particulars	As at March 31, 2019	As at March 31, 2018
Range of exercise price (₹)	**40 to 184**	40 to 184
Weighted average remaining contractual life (in years)	**2.98**	3.69
Weighted average fair value of options granted	**36.66**	46.45
Weighted average market price of shares on the date of exercise(₹)	**141.45**	154.43

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Fair value methodology

The fair value of options is computed on the date of the grant, using Black-Scholes options pricing model with the following inputs.

					Fair Value of the Option (₹)			
Grant	Grant Date	Risk Free Interest Rate	Expected Life(In years)	Expected Volatility	1st Stage	2nd Stage	3rd Stage	4th Stage
Grant 6	26-Apr-10	6.50% to 7.25%	3.33 to 5.33	37% to 40%	6.75	8.34	10.09	12.27
Grant 7	27-Oct-10	7.25% to 7.50%	3.33 to 5.33	35% to 40%	8.70	10.83	13.06	15.84
Grant 8	13-May-11	7.9% to 8.05%	2.58 to 5.58	38% to 41%	9.41	11.66	13.79	16.11
Grant 9	2-Nov-11	8.40% to 8.65%	2.58 to 5.58	38% to 40%	9.34	12.20	14.26	16.19
Grant 10	9-May-12	8.01% to 8.25%	2.58 to 5.58	39% to 42%	3.28	4.41	6.00	7.25
Grant 11	7-Nov-12	7.89% to 8%	2.67 to 5.67	38% to 42%	3.87	4.84	6.65	7.97
Grant 12	4-May-13	7.12% to 7.23%	2.67 to 5.67	33% to 37%	2.92	5.07	6.31	7.99
Grant 13	15-Nov-13	8.50% to 8.68%	2.64 to 5.67	34% to 39%	4.34	7.08	8.53	9.93
Grant 14	9-May-14	8.38% to 8.60%	2.64 to 5.67	33% to 38%	8.56	11.59	13.38	15.68
Grant 15	12-Nov-14	8.50% to 8.68%	2.64 to 5.67	35% to 39%	7.80	11.66	14.41	16.50
Grant 16	7-May-15	7.74% to 7.79%	2.67 to 5.67	33% to 37%	10.46	14.58	18.40	20.67
Grant 17	7-Aug-15	7.69% to 7.89%	2.67 to 5.67	36% to 39%	16.73	20.61	25.33	27.90
Grant 18	6-Nov-15	7.43% to 7.64%	2.67 to 5.67	33.80% to 37%	16.00	18.79	23.55	26.87
Grant 19	1-Jul-16	7.03% to 7.34%	2.50 to 5.50	23.60% to 26%	40.66	53.39	61.83	70.45
Grant 20	4-Jul-16	7.03% to 7.32%	2.58 to 5.58	23.40% to 26%	42.76	55.99	64.60	73.44
Grant 21	5-Aug-16	6.78% to 7.04%	2.58 to 5.58	22.80% to 26%	38.63	51.40	59.26	67.35
Grant 22	10-Sep-16	6.71% to 6.91%	2.58 to 5.58	22% to 25%	40.22	53.26	62.47	70.88
Grant 23	21-Oct-16	6.70% to 7.00%	2.50 to 5.50	23.10% to 39.20%	40.45	52.49	61.08	87.23
Grant 24	1-Feb-17	6.45% to 6.84%	2.58 to 5.58	22.20% to 24.70 %	35.88	47.18	55.01	63.46
Grant 25	5-May-17	6.24% to 6.59%	2.56 to 5.66	19.48% to 22.55%	31.50	40.25	50.31	57.50
Grant 26	16-Aug-17	6.63% to 7.00%	2.58 to 5.58	20.23% to 23.42%	34.67	44.59	54.48	62.98
Grant 27	31-Jan-18	6.87% to 7.45%	2.50 to 5.51	18.00% to 21.62%	28.39	37.69	48.24	55.83
Grant 28	27-Apr-18	7.31 % to 7.83 %	2.51 to 5,52	16.45 % to 21.39%	30.22	40.82	50.18	59.30
Grant 29	27-Jul-18	7.51 % to 7.93%	2.52 to 5,52	15.79% to 21.29%	28.19	38.13	46.51	55.35
Grant 30	27-Jul-18	7.51%	2.52	15.79%	28.19	NA	NA	NA
Grant 31	2-Nov-18	7.39% to 7.71%	2.50 to 5.51	14.87% to 21.23%	22.40	30.49	37.19	44.39
Grant 32	2-Nov-18	7.39%	2.5	14.87%	22.40	NA	NA	NA

49 First time adoption of Ind AS

Transition to Ind AS

These financial statements, for the year ended March 31, 2019, are the first financial statements the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Companys's opening balance sheet was prepared as at April 1,2017, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2018

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Property, Plant and Equipment

The Group has elected to continue with the carrying value for all of its property, plant and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date.

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

Investment properties
The Group has elected to continue with the carrying value for all of its investment properties as recognised in its Indian GAAP financial as deemed cost at the transition date.

Lease Arragements
Ind AS 17 requires an entity to assess whether a contract or arragement contains a lease, and this assessement should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Share Based payments
The Group has not applied Ind AS102 "Share based payments" for the equity instruments vested before the date of transition to Ind AS and for the liabilities arising from share based payment transactions that were settled before the transition date to Ind ASs.

Classification and measurement of financial assets
The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition.

Derecognition of financial assets and financial liabilities
Ind AS 101 requires a first-time adopter to apply the derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition. The Group has decided not to recognize those non-derivative financial assets that were derecognized under previous GAAP as a result of a transaction that occurred before the date of transition.

Financial Instruments designated at FVTOCI
The Group has designated unquoted equity instruments, investment in mutual fund and Debt secuarities available for sale held at April 1, 2017 as fair value through OCI investments.

The reconciliation of profit and equity in accordance with the requirements of paragraph 32 of Ind AS 101 - First time adoption of Ind AS, is provided below

Particulars	Year ended Mar 31, 2018 Audited
Net Profit under Previous GAAP (Indian GAAP)	**3,101**
Adjustments increasing / (decreasing) net profit after tax as reported under Previous GAAP	
Impact on Effective interest rate on financial instruments	-2,163
Fair valuation impact on financial instruments	707
Impairment impact on financial instruments	1,558
Remeasurements of actuarial gains or losses on other comprehensive income	-1
Impact on account of Fair valuation of stock options as per Ind AS 102	-2,890
Deferred tax impact on the above	1,308
Total comprehensive income	**1,620**

As required by paragraph 32 of IND AS 101, equity reconciliation is as under

Particulars	As at Mar 31, 2018 Audited
Equity Reported under Previous GAAP (Indian GAAP)	**227,629**
Adjustments increasing / (decreasing) Equity reported under Previous GAAP	
Impact on Effective interest rate (EIR) on financial instruments	-7,151
Fair valuation impact on financial instruments	3,066
Impairment impact on financial instruments	1
Remeasurements of acturial gains or losses	-72
Deferred tax impact on the above adjustments	1,473
Total	**224,946**
Other comprehensive income	10
Share application money	67
Equity as per IND AS	225,023

Notes to the Consolidated Financial Statement

(All amounts are in lakh of Indian Rupees, unless otherwise stated)

1. Employee cost option Scheme

The employee stock option scheme is admistered by the Holding comany and issued to its employees and employees of the Banking subsidiary. Under IGAAP, the options were valued at intrinsic value per option. Under Ind AS, the Group has valued the options issued at fair value based on the valuation report taken by the Holding company at the time of grant.

2. Fair valuation of Financial Instruments and Guarantees

Under Indian GAAP, interest free loans, borrowings,investments and corporate guarantees are accounted at transaction cost on initial recognition and subsequently measured based on contractual cash flows. Under Ind AS, the interest free/ concessional rate loans and guarantees are fair valued on initial recognition and subsequently measured at amortised cost.

3. Remeasurements of acturial gains or losses

Under Indian GAAP, the Group recognized actuarial gains/losses on defined benefit plans in the income statement. Under Ind AS, the Group has recognized the actuarial gains/losses relating to retirement benefit plans in other comprehensive income. Thus, employee benefits expense is reduced and is recognised in Other Comprehensive Income during the year ended March 31, 2018. However, this has no impact on total comprehensive income and total equity.

4. Impairment of financial instruments

Under Indian GAAP, the Group has provided for loans based on the income recognition and classification norms as prescribed by RBI under an incurred loss model. Under IND AS, the Group has provided for impairment of the financial instruments based on the expected credit loss model by the Group based on probability of default, loss given default and exposure at default.

50 Previous year figures

Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniruddh Sankaran
Partner
Membership No. 211107
Place: Chennai
Date: May 10, 2019

For and on behalf of Board of Directors of
Equitas Holdings Limited

N Rangachary	**S Bhaskar**	**S Viswanatha Prasad**
Chairman	ED and CEO	Director
DIN:00054437	DIN:00010000	DIN:00574928

Srimathy R	**Deepti R**
Chief Financial Officer	Company Secretary
	A35488

Place: Chennai
Date: May 10, 2019

Form AOC-1 – Financial Position of Subsidiaries

[Statement as required under Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

Sl. No.	Particulars	1	2
1	Name of the Subsidiary	ESFBL	ETPL
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
4	Share capital	100,594.34	2,009.60
5	Reserves & surplus	121,267.14	-1,934.43
6	Total assets	1,566,897.33	122.27
7	Total liabilities	1,566,897.33	122.27
8	Investment in shares/Mutual funds	20	0
9	Turnover (Revenue from operations)	235,440.96	181.25
10	Profit before taxation	26,097.54	(355.61)
11	Provision for taxation	9,119.53	0
12	Profit after taxation	16,978.01	(355.61)
13	Total comprehensive Income	17,016.29	(354.25)
14	Proposed Dividend	Nil	Nil
15	% of shareholding	100%	99.52%

Part "B": Associates and Joint Ventures – Nil

For and on behalf of Board of Directors of
Equitas Holdings Limited

N Rangachary	**S Bhaskar**	**S Viswanatha Prasad**
Chairman	ED and CEO	Director
DIN:00054437	DIN:00010000	DIN:00574928

Srimathy R	**Deepti R**
Chief Financial Officer	Company Secretary A35488

Place: Chennai
Date: May 10, 2019

Corporate Information

Corporate overview

BOARD OF DIRECTORS

Rangachary N	(DIN 00054437)	Chairman and Independent Director
Arun Ramanathan	(DIN 00308848)	Independent Director
Jayshree Ashwinkumar Vyas	(DIN 00584392)	Independent Director
Rajaraman P V	(DIN 01658641)	Independent Director
Viswanatha Prasad S	(DIN 00574928)	Independent Director
Bhaskar S	(DIN 00010000)	Executive Director & Chief Executive Officer
Yogesh Chand Nanda (ceased w.e.f March 28, 2019)	(DIN 01643316)	Independent Director
Raghavan M S (resigned on April 27, 2018)	(DIN 05236790)	Independent Director

KEY MANAGERIAL PERSONNEL

Srimathy R	Chief Financial Officer
Deepti R	Company Secretary

Registered Office

410A, 4th Floor, Spencer Plaza, Phase II,
No.769, Mount Road, Anna Salai
Chennai – 600002
Tel : +91 44 4299 5000
Fax : +91 44 4299 5050
Email : corporate@equitas.in
Website: https://www.equitas.in
CIN: L65100TN2007PLC064069

Statutory Auditors

S R Batliboi & Associates LLP
6th & 7th Floor, "A" Block
Tidel Park, (Module 601,701 & 702)
No.4, Rajiv Gandhi Salai, Taramani
Chennai – 600 113
Tel : +91 44 6654 8100
Fax: +91 44 2254 0120

Bankers

Equitas Small Finance Bank Limited
ICICI Bank Limited
State Bank of India

Registrar & Share Transfer Agent

Karvy Fintech Private Limited
Karvy Selenium Tower B
Plot No. 31-32
Gachibowli Financial District
Nanakramguda
Hyderabad - 500 032
Tel: +91 40 6716 2222
Email: einward.ris@karvy.com
Website: https://karisma.karvy.com



Equitas Holdings Limited

410A, 4th Floor, Spencer Plaza, Phase II,
No. 769, Anna Salai, Chennai – 600 002

Concept, content and design at AICL (hello@aicl.in)