



## **EQUITAS HOLDINGS LIMITED**

*FOR IMMEDIATE PUBLICATION*

**PRESS RELEASE**

**July 22, 2016**

### **Equitas Holdings Consolidated Q1FY17 Net Profit grows by 64%**

Equitas Holdings Limited, a diversified financial service provider, announced today the Unaudited & Consolidated financial performance for the quarter ended June 30, 2016.

- **Consolidated PAT for the quarter grows by 64% over Q1FY16**
- **Strong Operating performance despite NPA recognition period change**
- **Consolidated AUM as of June 30, 2016 of Rs 6,559 Crore; a growth of 48% over Q1FY16**

The growth has been led by healthy disbursements in key focus asset products such as Microfinance, Used Commercial Vehicle finance [UCV] & Micro enterprise loans. Gross NPA and Net NPA at Consolidated level have shown increase due to migration of NPA recognition with effect from Q1FY17 from 5 months to 4 months for EFL, in line with RBI requirements.

#### **Q1FY17 Consolidated Results**

Total Income increased by 46% at Rs.348.8 Crore for the quarter ended June 30, 2016 as against Rs.239.3 Crore in the corresponding quarter last year. Profit after Tax [PAT] grew by 64% to Rs.61.2 Crore for the quarter ended June 30, 2016 as against Rs.37.4 Crore for the corresponding quarter last year.

#### **Bank conversion**

RBI has given the final license to the Company on June 30, 2016 for converting the above mentioned subsidiaries into a Small Finance Bank [SFB]. We have since applied to RBI for further approvals in connection with the commencement of the Bank. Subject to the required approvals, we are hopeful of starting the Bank by September 16.

#### **About Equitas Holdings Limited**

Equitas Holdings Limited is a diversified financial services provider focused on individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels. Its focus customer segment includes low income groups and economically weaker individuals operating small businesses, as well as MSEs with limited access to formal financing channels on account of their informal, variable and cash-based income profile. These customers require various financial products including small, short-term business

loans as well as relatively large, longer tenor enterprise and home loans. It offers a range of financial products and services that address the specific requirements of these customer segments that take into account their income profile, nature of business and kind of security available. Its microfinance business is conducted through the wholly-owned subsidiary EMFL. As of March 31, 2015, EMFL was the fifth largest microfinance company in India in terms of gross loan portfolio (Source: CRISIL MF Opinion). EFLs used commercial vehicle finance customers are typically first-time formal financial channel borrowers purchasing commercial vehicles. The customers also include small fleet operators. It is amongst a few NBFCs in India operating in the used commercial vehicle finance business. It provides asset backed financing primarily focused on self-employed individuals operating micro enterprises and small enterprises, typically in urban and semi-urban locations. It focuses on providing micro-housing and affordable-housing loans to self employed individuals who have limited access to loans from banks and larger housing finance companies.

**For further details contact:**

Mr. Vignesh Murali, Assistant General Manager – Marketing & Corporate Communication,  
Equitas Holdings Limited

M: + 91 99520 20629 or + 91 98401 68185 | T: + 91 44 4299 5097 | F: + 91 44 4299 5050



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### Consolidated Unaudited Financial Performance for the quarter ended June 30, 2016

- Consolidated PAT for the quarter grows by 64% over Q1FY16
- Strong Operating performance despite NPA recognition period change from 5 months to 4 months
- Consolidated AUM as of June 30, 2016 of Rs 6,559 Crore; a growth of 48% over Q1FY16

### Equitas Holdings Consolidated Q1FY17 Net Profit grows by 64% YoY

Equitas Holdings Limited, a diversified financial service provider, announced today the consolidated unaudited financial performance for the quarter ended June 30, 2016.

#### Performance Highlights

##### Growth in Assets

AUM as of June 30, 2016 grew 48% YoY to Rs.6,559 Crore as compared to Rs.4,419 Crore as of June 30, 2015. The growth has been led by healthy disbursements in key focus asset products such as Microfinance, Used Commercial Vehicle finance [UCV] & Micro enterprise loans.

##### Q1FY17 Consolidated Results

Total Income increased by 46% at Rs.348.8 Crore for the quarter ended June 30, 2016 as against Rs.239.3 Crore in the corresponding quarter last year. Profit after Tax [PAT] grew by 64% to Rs.61.2 Crore for the quarter ended June 30, 2016 as against Rs.37.4 Crore for the corresponding quarter last year.

## Performance of Subsidiaries

Particulars	Disbursement [Rs. Cr]		
	Q1FY16	Q1FY17	YoY (%)
EMFL	620	802	29%
EFL	412	565	37%
EHFL	21	24	14%
<b>Total</b>	<b>1,053</b>	<b>1,391</b>	<b>32%</b>

Particulars	AUM [Rs. Cr]		
	Q1FY16	Q1FY17	YoY (%)
EMFL	2,319	3,442	48%
EFL	1,905	2,859	50%
EHFL	195	257	32%
<b>Total</b>	<b>4,419</b>	<b>6,559</b>	<b>48%</b>

EMFL: Equitas Micro Finance limited  
EFL : Equitas Finance Limited  
EHFL : Equitas Housing Finance Limited

## Asset quality trends

Rs. Crore

Particulars	Q1FY16	FY16	Q1FY17
Gross NPA *	57.73	68.14	91.77
Net NPA	42.98	47.80	65.17
Gross NPA % *	1.44%	1.34%	1.61%
Net NPA %	1.07%	0.94%	1.14%
Provision Coverage Ratio %	25.55%	29.84%	28.98%

\* For the quarter ended June 2016, NPA recognition basis for EFL was changed to 4 months from earlier 5 months basis for FY16.

## Equitas Holdings Limited - Consolidated - Key parameters - Q1FY17

Particulars	(Amount in Rs. Cr, except as otherwise stated)				(Amount in Rs. Cr, except as otherwise stated)							
	Consolidated				MFI Business				Non -MFI Business			
	FY16	Q1FY16	Q1FY17	Growth %	FY16	Q1FY16	Q1FY17	Growth %	FY16	Q1FY16	Q1FY17	Growth %
AUM	6,125	4,419	6,559	48%	3,283	2,319	3,442	48%	2,842	2,100	3,117	48%
NII	578	126	190	52%	293	65	96	49%	278	59	94	58%
Operating cost (%)	7.10%	7.10%	7.15%		7.44%	7.52%	7.08%		6.67%	6.69%	7.00%	
PAT	167	37	61	64%	80	21	34	64%	87.1	15.6	28.5	83%
GNPA (%)	1.34%	1.44%	1.61%		0.23%	0.11%	0.25%		2.49%	2.67%	3.03%	
NNPA (%)	0.94%	1.07%	1.14%		0.06%	0.04%	0.05%		1.85%	2.02%	2.28%	
Standard Assets Charge (%) - A	0.35%	0.35%	0.26%		0.52%	0.39%	0.25%		0.15%	0.30%	0.29%	
NPA Provisioning & Loan loss Charge (%) - B	0.82%	1.21%	0.84%		0.13%	0.09%	0.17%		1.61%	2.48%	1.60%	
Total Charge (%) [A] + [B]	1.17%	1.56%	1.11%		0.65%	0.48%	0.42%		1.76%	2.78%	1.89%	
RoA (%)	3.05%	3.30%	3.69%		2.78%	3.65%	3.89%		3.48%	2.85%	3.87%	
Gearing (No. of times)	3.37	2.81	2.85		5.88	4.88	4.68		2.53	2.25	2.17	
RoE (%)	13.31%	12.57%	14.21%		19.12%	21.49%	22.09%		12.29%	9.26%	12.25%	

## Notes:

NPA Ratio - calculated on Loan outstanding i.e., 'On Book' only.

Standard Assets charge and Provisioning & Loan loss charge calculated as proportion of average AUM.

### **Management Commentary**

Commenting on the results and financial performance, Mr PN Vasudevan, Managing Director, Equitas Holdings Limited, said,

“We had a reasonable quarter. Loan outstanding portfolio as of June 16 grew by 48% on a YoY basis along with a 64% growth in profits for the quarter on a YoY basis. The IPO of the Company in April 2016 was well received and reflects the trust the investors have in our Company and the Group.

We continue to remain focussed on the segments not sufficiently serviced by the mainstream financial system. To a large percentage of our customers, we are the only lenders.

RBI has given the final license to the Company on June 30, 2016 for converting the above mentioned subsidiaries into a Small Finance Bank [SFB]. We have since applied to RBI for further approvals in connection with the commencement of the Bank. Subject to the required approvals, we are hopeful of starting the Bank by September 16”.

### **Social initiatives**

The Group continues its various social initiatives, as part of the Corporate Social Responsibility program. During the quarter, the Group reached out to 1.99 lakh beneficiaries through the health camps, 0.09 lakh beneficiaries through training on cottage livelihood skills, 0.05 lakh beneficiaries through job fairs and over 80 families rehabilitated through the Equitas Bird Nest program. The seven English Medium schools managed by the Group has a strength of over 5,000 students as of June 2016. The data for the various social initiatives is tabled below:

<b>Particulars</b>	<b>FY 16</b>	<b>Q1FY17</b>	<b>Cumulative from beginning</b>
No. of beneficiaries in health camps	8,64,384	1,99,024	39,44,133
No. of spectacles provided [free of cost]	11,690	2,582	85,232
No. of cataract operations [free of cost]	1,563	370	26,422
No. of people trained on cottage livelihood skills	41,268	8,704	418,193
No. of unemployed youth placed in jobs	26,320	4,865	64,494
No. of families living on pavements rehabilitated	362	84	795
No. of children studying in the 7 Equitas schools	4,142	5,043	N.A.

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