

EQUITAS HOLDINGS LIMITED

TRANSCRIPT OF THE 13TH ANNUAL GENERAL MEETING OF EQUITAS HOLDINGS LIMITED HELD AT 3.00 P.M. IST ON MONDAY AUGUST 10, 2020 THROUGH VIDEO CONFERENCING

Mr Rangachary N - Chairman:

Good afternoon Ladies and Gentleman!

I have great pleasure in welcoming you to this 13th annual General Meeting of Equitas Holdings and we all of us are situated in different places and modern technology has connected us to be together for this meeting and I am sure that in the course of the next hour or so we have a good exchange of views between the management of the company and its shareholders who have been with us for the last 13 years and supported us through our endeavour for this period.

Now I have a pleasant duty to perform before we proceed with the Agenda which has been already circulated to you. Let me introduce my colleagues on the Board who are visible to you perhaps if you like to have a look at them. First is Mr P N Vasudevan he is the Managing Director and CEO of the bank. Next to him is Mr Arun Ramanathan. Arun Ramanathan is the Chairman of the Bank and he is also an Independent Director on the Board of Equitas Holdings. Next to him is Mr Viswanatha Prasad. Mr Viswanatha Prasad is the Chairman of the Audit Committee of the Holdings Company and next to him you find Mr Rajaraman. Rajaraman is the chairman of our Nomination and Remuneration Committee and then you have Jayashree Vyas. She is a well known figure in public finance and then you have Mr John Alex. John Alex is the CEO of the holding company. He is a very well known figure in social circle and has been the live wire of the CSR activities of the Company. Then you are seeing me, I have been with the company for about 13 years now. My name is Rangachary.

Now, Do you get to see others also. We have some others also and perhaps they will get connected soon and then I will give you an Introduction. We would like to inform you that all these statutory compliances for which we are obliged to inform you the statutory registers, other documents are available for inspection. Then the proceedings are being video recorded and the transcript will be available at the website of the Company. Then if you would permit me, we will take the Notice that we had sent to you for convening this meeting along with the Agenda as read and the Auditors report as part of the annual report that they had sent to you. And you would notice from there that they had given a clean report on the accounts of the company for the year ended 31st March, 2020. And if you would agree then I would take it that the auditors report has been taken as read. Then I am informed that they have got the adequate numbers of shareholders connected to this meeting which will make prescribed quorum for the meeting confirmed. Now I would have a small but pleasant duty to perform to take you through some of the important events that had taken place and with your indulgence let me proceed to do that. I hope all of you are staying safe and healthy during this pandemic time. It is quite a different feeling to host an AGM in the virtual format unlike the past AGM where we used to have physical meeting of shareholders which enabled the Board, the Management and the shareholders to exchange views and ideas. We remain open to exchange of ideas as ever. Before I delve deep into our performance it is crucial to outline the external environment in which we currently are placed and operate. The country was drawn into the struggle against a world wide pandemic without a parallel in terms of spread, speed and economic impact. India was undergoing a slowdown

with muted private consumption and contraction of manufacturing and private investments. The Government announced a series of measures to revive the economy. The efforts on the fiscal side were complemented by series of measures taken by Reserve Bank of India to lower the cost of borrowings, improve liquidity and stabilise the quality of the asset . Despite these measures, India recorded the slowest growth in over a decade at 4.2%. The covid 19 outbreak possess a significant threat to the community's well being and safety. Hope and faith are and have been our companion to tide over this crisis. I do hope that this problem and difficulties will sort themselves out in the near future. My prayers and good wishes are always with you in staying safe and healthy during this pandemic time. Turning to the banking industry bank credit growth decelerated to a five decade low of 6.1% in FY20 against the backdrop of a slowing economy. In the week ended 27th March, 2020 bank advances stood at Rs. 103.71 Lakh Crores as against Rs. 97.71 lakh crores as of March 29, 2019. Aggregate bank deposits grow by 7.9% to 135.71 lakh crores, from 125.73 lakh crores in the previous year. The overall credit deposit ratio was 75.7% in December, 2019. Financial conditions have tightened posing challenges for financial stability and depositor sentiment especially in the wake of a private bank default and massive selloffs by foreign portfolio investors in debt and equity markets. The coronavirus outbreak and subsequent disruptions to economic activity are likely to negatively affect asset quality.

Moving to Small Finance Bank space particularly in the three years of our existence, SFBs have made a remarkable impact and gained significant scale with a combined asset portfolio size of over Rs. 90,000 crores and a deposit base of over Rs. 60,000 crores, as on March, 2020. In September 2019, RBI announced 'on tap' licensing for SFB signalling robustness of SFB model. In the FY 2019-20 Equitas Small Finance Bank sustained its growth momentum despite a setback to depositor confidence due to some worrying events in certain co-operative and private sector banks and a slowing economy. Your bank has adopted this strategy to create a long term granular retail liability franchise and has achieved satisfying results in its endeavour. The Bank has also energised itself with a comfortable, sustainable and scalable growth in advances and, in the process, has developed and launched many innovative products to attract customers. Your Board believes that the Bank is on the right track. Lower-than-expected growth in the last quarter is attributed to factors beyond our control. As the economy stabilises after exiting the 'lockdown', the Bank will pursue its carefully laid out policies and plans. The Bank has made significant investments in new-age technologies to deliver superior experiences to customers and increase its operational efficiency and reach. These investments have started yielding results.

Earlier today, we had our Board meeting to approve the results for the quarter ended June 2020. We would be monitoring the market movements very closely and track our asset quality on a very close basis to see whether our portfolio exhibits any signs of extra stress. We would remain prudent and cautious in our lending and pursue growth appropriately.

As you all will be aware, we have to list our subsidiary i.e. Equitas Small Finance Bank. Your Company had approached the RBI and SEBI with a proposal that could have helped it to achieve this. Our proposal did not receive the recognition from the authorities with the result that the Bank initiated the move to go in for an IPO. Requisite permissions were received in February-March 2020. The IPO was scheduled to go around the end of March 2020. Unfortunately, the listing of the Bank had to be put on hold due to the coronavirus outbreak. We plan to resume our efforts in this direction as soon as possible as a clear situation emerges.

I am looking forward to the management of the Bank under the able leadership of its Chairman Mr. Arun Ramanathan and the Board of competent professionals who assist him. I take this opportunity to compliment Mr. Ramanathan and his colleagues for running the Bank efficiently. My compliments to Mr. P N Vasudevan, the MD & CEO of the Bank, for his significant contribution to the development of the business.

The Group remains committed to its social initiatives. We run medical camps, 8 schools for children from low-income families, teach our members skills and expertise to enable them to advance in life as a professional or a businessperson. Our schools are being run as part of our social commitment, and I have no hesitation to admit that these have contributed to the welfare of our constituents. I am very proud to report that many of our students have done very well in the board examination.

One pleasant news to you after having waiting for so many years, for some recognition of contribution to our growth I am happy to inform that our Board of Directors in the Meeting held earlier in the day has approved an interim dividend of Re.1 per share payable to those equity shareholders whose name appear on the register of members of the Company as on Record Date fixed for this purpose i.e, 19th August, 2020.

I would like to thank you all for your continued support in our endeavour to make Equitas a world-class organisation and in its efforts to impact the community through its Education, Health care and Skill training initiatives.

I do hope when we meet for the annual meet in the following year, we would not face constraints like this i.e inability to interact with you personally. You should be in a position to have a free exchange of ideas and thoughts and I am sure that god and nature will permit this to happen by in the next 12 months. Till then you please stay safe and sound and I do hope that we will have occasions to interact with all of you and in the time to come we will have pleasant memories to carry with us.

Thank you Ladies and Gentleman, May god bless all of us.

Now, the agenda says there are a number of items for which they have request you for your approval. Like last 3 years, we had adopted the system of e-voting prescribed by the companies act and recognised by the CG authority. By now most of you might have exercised your votes and anyone who had not exercised the votes will have time to do it. The company's main business is to have subsidiaries and we have a very vital subsidiary i.e the Bank and many of you may be interested to know what is happening in the Bank. May I now request, Mr Vasudevan P N, who is the CEO & Managing Director of the Bank to explain you what is really happening in that area and what plan the Bank has in the time to come. So Mr Vasudevan you are on.

Mr Vasudevan: Thank you sir, Thank you so much

Good afternoon ladies and Gentleman as the Chairman had informed and mentioned it is a very strange time that we are living in today. I think for the first time probably in all of our life time, we are doing the AGM online. So please do pardon us if there are any glitches in the entire proceedings. We try to do our best and is being done properly. Now I will take you through the performance of the Bank for the last year and give you few highlights of the first quarter performance. Before I start anything, let me first address the issue which is the biggest issue standing in front of us which is covid 19 pandemic. That is the real standing right in front of all of us. We had done lot of things from our

side to ensure that the bank is well prepared to manage the crisis arising out of covid 19 and ensure that the performance of the bank remains on an even keel during this period also. First and foremost effort that we had taken is on our staff. We need our staff to rally around the bank. We need all our 16000 staff to stand united and to stand together to ensure that we can continue to deliver the essential service since banking is an essential service to ensure that we are able to deliver the essential service to the Community and to the public at large. So the first focus is always our own staff. It may be very happy for you to know that right through the entire lock down period including the month of April and May where the lockdown is practically a complete lockdown, our staff still went to the branches, kept it open to ensure that the public are able to come and carryout any of their urgent or immediate or priority banking requirements undisturbed. So that is something all our staff had done and we are very proud to acknowledge the efforts put in by our staff. We also rolled out a covid package for our staff in case our staff was affected by covid 19, because they are highly exposed. When you go to the branch, you really not sure who is working in the branch and their health and other background. And when our staff are going out to meet customers at their places and they are getting exposed and to that extent there is a certain level of risk which they have to undertake to carryout their functions. We have rolled out a very supportive covid 19 health package and financial support package to our staff where it is ensured that if anybody is affected by this virus and we will completely take care of them and protect them and ensure that they are given the best support financially and otherwise to ensure that they go through it and come out successfully from the virus attack. That is the first thing we have done. As per RBI requirements, we have given moratorium to all our customers in the month of March, April and May Moratorium 1 and then RBI announced moratorium 2 in June, July and August. So, we have given moratorium to all our customers. In the first round, about 90% of our customers by loan value availed moratorium and about 10% did not avail it and continue to repay their EMI between March and May. In the second moratorium, about 50% in the month of June and 43% availed it in the month of July. So the percentage of customers availing moratorium is coming down to reflect the fact that in many parts of the country ground level lock down is being opened up and businesses and life is coming back to level of normalcy. People are able to go back and start doing their work and earning whatever business income that they are getting earlier. The same is reflected in the moratorium percentage which has come down from May about 90% to 50% in June and 43% in July. In August 2020 we will have to see that was further down. As you may be aware, RBI has announced that there will be a rescheduling option given to banks. Subsequent to August, there is no moratorium announced by RBI i.e moratorium stops with August and from September onwards all customers are required to pay their EMI and if anyone is not able to pay their EMI because their business is disrupted a lot more than what is the assumed, then bank has given a freedom to go out and do a specific assessment of such businesses and based on our assessment we are permitted to do a rescheduling of those contracts. Something that we will look at post August. Now coming back to the last year performance, we had a good year, last year and happy to share with you, that our advances grew at about 31% our unsecured portfolio keeps reducing year on year which reduced from 29% to 25% last year . Our deposits continues to do well. Our overall deposits grew by 20% last year whereas our retail deposits grew by as much as 133%. We have given lot of focus on retail deposits and in terms of net income, our income grew by 24%. While our cost grew by 17%, our asset quality generally has been remaining comfortable within a very acceptable level of 2.75%. NPA remains stable right through the last year and our profitability because of all this has grown by 16% to 244 crores. Actually profit would have been higher at 314 or 320 crorebut for the 100 crore extra provision in the month of March for covid. RBI has given permission to create a covid provision. So our bank took

efforts to put 100 crore aside towards covid provision in the month of March, because of which PAT came down to Rs.244 crore. But it was still higher than the previous year by about 16% and our ROA and ROE were reasonable at about 1.4% and 10%. Now, coming down to the first quarter, performance of this current financial year as I had mentioned full year our moratorium percentage are coming down that is the big sigh of relief from the borrowers, especially that they are able to come back on their business. We have restarted disbursements in the month of May partially which comes to about 90 crores. In the month of June, we ended up disbursing 465 crores which is about approximately 40% of what we had normally disbursed before covid. In the month of July, the disbursement figures continue to keep increasing. We disbursed about 700 crores in July, which is about 65% of our pre-covid level of disbursement. We see the demand for loans coming back and people are now keen to get back on their business, invest and get their businesses going. We expect the demand for business loans to increase. However, Chairman had pointed out that we will be very cautious and conservative and prudent in the way we assess our borrowers and take a call in terms of giving loans and supporting them in their business. Again this quarter, RBI has permitted to make extra provision. We have made an extra provision of 45 crores in this quarter, which added to our previous carry forward of 100 crores. Now, we carry about 145 crore of extra general covid provision which is approximately equal to about 0.95% of our total advances. After that provision of 45 crore in the first quarter, our Profit after Tax for that quarter was at 60 crores and all of these figures under I GAAP method because for banks still Ind AS is not applicable so I am talking of IGAAP figures. So our profit for the first quarter was Rs.60 Crores under that method. Our asset quality continues to remain stable. It is likely lower than the march quarter number, which is 2.68% compared to 2.75% in the last quarter. With this I would like to handover the mic back to the chairman with the assurance that me and all my 16000 colleagues in the bank are committed to ensure that the bank will continue to do its best to manage the current covid crisis and ensure that we come out with all our usual levels of confidence and on the loans part we will continue to remain extremely cautious and extremely prudent as against fresh loans ensuring that we do extra diligence to ensure that customers are having sufficient cash flows to support repayment. Thank you so much.

Chairman : Thank you vasu, It is nice to hear from you that we have placed in safe hands as in your hands and in the hands of Mr Arun Ramanathan and we do expect in the periods to come, the bank will continue to grow in the right manner. Ladies and Gentleman, it is now the time for you to ask your questions and get clarity on some of the issues, which you find is necessary for you to know and I am sure that I was told that some people have already sent their questions in advance and some people have been listed to be asked to take this facility and ask questions. Now it is time for you to start the proceedings by seeking clarifications by any of the statement we have made in the annual report we have sent to you. Ladies and Gentlemen you are on.

Moderator : Thank you Sir! This is moderator from KFIN technologies Private Limited. I welcome all the registered speaker shareholders to the event. On behalf of the organisation, I would like to inform that you need to identify yourselves and limit your question to three minutes. We will be calling out your name, until then kindly keep yourself on mute. So, the first speaker registered is Mr Abhishek J. Mr Abhishek we would like you to unmute your audio and switch on your video and speak. Mr Abhishek we see you are logged in. Are you there?

Mr Abhishek : Yes Sir, I am logged in.

Moderator : Kindly proceed with your questions Sir.

Mr Abhishek : can you see me Sir?

Moderator : Yes, we can see you sir.

Mr Abhishek : I will start my queries. My name is Abhishek, Shareholder of the Company. My DP Id IN301637 Client ID 41359155. First of all, I congratulate the management on the eve of Annual General Meeting. Trust all is well with you and your family in this challenging situation. Our company deserves much more respect on the current market cap after completing more than a decade of successful operations, profitability and becoming one of the strongest banks in our respective statement. We are the long term shareholder since the inception of the Company and we need the following clarifications and details. What is the real impact of covid 19 in percentage? How your supply chain has affected? Where do you see the light at the end of the tunnel? What will be the growth triggers in the first half and second half? The corona virus and subsequent lockdown have left virtually no industry unturned after the co-vid. How many employees we have sacked, fired and salary cut in percentage if any. So, what are the new innovation and new product launches, new launches being done by our bank after April 1 and what is the receipts on the business so far. What are the cost cutting initiatives done by our bank and by the management. How much salary cut was taken by the management. What is the view of the management considering that maintaining the sustainability of profit earning growth, will remain challenge in the coming quarters and what are the management efforts to improve working capital, ROC and interest coverage ratio and what are the steps being taken to recover the NPA. I would like to know when the management will be in a position to declare a special dividend to shareholders because we have been eagerly waiting for that. What are the management efforts to improve our bank's image for investor relation exercise like concall, quarterly presentations and getting global investors. Kindly provide us the details of other current and non-current liabilities. Please let me know the details of our contingent liabilities also. And if the CS can arrange , video call with your legal head to learn the perspective in detail. So, what are the management efforts to reduce other expenses, legal professional charges and Auditor's fees. What are the credentials that the new and existing directors are bringing on the table to take the company to next phase of growth or guide the new generation. Is the appointment done after checking all the new amendments under clause 49. What is the policy in our bank related to dividend in our company. As most of the senior citizens are only dependent on that. Then I wish the Company and the Board of Directors a great success and prosperity in the coming future and thank you for giving the opportunity sir.

Moderator : Thank you Mr Abhishek. We now move on to the next speaker. Mr Rishab Jain from Ajmeer. Mr Rishab, you can unmute your audio and switch on the video and speak please.

Mr Rishab Jain: Hello Sir

Moderator : Yes Sir. You are audible. Kindly proceed sir

Mr Rishab Jain: Good afternoon Everyone. I am Rishab Jain from Ajmeer. I have recently bought the shares of Equitas Holdings. I have two questions. One is the Chairman mentioned in the introduction that new technologies are being used in the bank and other facilities as part of Infrastructure of Equitas. So I would like the Chairman or somebody from the management community to cover it. And my second question is , what are the policies Equitas is having for avoiding bad loans, or dealing with

bad loans. And my third question is on the website I found that interest coverage ratio was mentioned as 1.63%. I want to know whether it is a good number or bad number and if it is bad number, then what are the list of plans to improve it. That's all.

Moderator : Thank you. I Appreciate that. I would now request our next speaker Ms Rita Deepak to kindly unmute the audio and switch on the video and speak.

Ms Rita Deepak : I am Deepak Davey. Husband of Ms Rita Deepak. Am I audible ?

Moderator : Yes Sir! You are audible. Kindly speak.

Mr Deepak Davey : First of all, I congratulate Mr Vasudevan Sir and Mr Rangachary Sir for the good growth of the bank during the last one year . But concern area is that the share price is going down. So what will be the strategy of top management to increase the profit by way of interest income and other area is the other income. What is the strategy under the covid situation to increase the profit of the bank. This is my question. Thank you very much. Thank you.

Moderator : Thank you. I will now request Mr Tanil Khanna to unmute your audio and speak. Tanil Kanna! Unfortunately we did not have Mr Tanil Khanna logged in today. I would now request Mr Peruz Portheri to kindly unmute and speak. May I now request Mr Vinod Mothilal Agarwal to kindly unmute the audio and switch on the video and speak.

Mr Vinod Motilal Agarwal : Can you able to hear me.

Moderator : Yes sir!

Mr Vinod Motilal Agarwal : Can you able to see me also.

Moderator : We will be able to see only if you switch on your video.

Mr Vinod Motilal Agarwal : I would like to compliment the management for having the balance sheet size grown by 33%, Networth grown by 14% and Total deposits increased by 20% . All are very good signs. But I would like to have a small query Sir. Now, in the covid situation on moratorium announcement by RBI for borrowers, how many accounts have taken moratorium from our bank. Secondly, what is the value of the outstanding of moratorium they have taken and percentage of advances.. I also compliment the management for CSR award received from the Govt. of India. Thank you.

Moderator : Thank you. With that, I will hand back the mic to Chairman Sir as the question session has been completed.

Chairman : Now Mr Vasudevan will answer these questions on behalf of the Board. And if any of the shareholder who have not been present and they have asked questions. And any one of them has any clarifications seek any questions for us to answer. I would request all of them to write to our secretary Ms Deepti R, the address is given in the annual report.. We are prepared to send the reply to clarify any issues for which you seek answer. So Mr Vasudevan, please answer these questions.

Mr Vasudevan : Sure sir! Thank you. So I will just take all the questions in seriatim. The growth prospectus as I had mentioned in the presentation on the performance of the bank. In Equitas bank,

we are largely dealing with customers from the low income and informal economy segment of the population. In this segment, the reality is that there is very large level of untapped or unserved or underserved demand for credit. That's why RBI about 4/5 years back, came out with this special category of banking licence called small finance bank who could then go out and service each of the small borrowers which the large banks were not able to service. So the demand for loans is always very high in the segment that we operate in. Now only question is how much we are going to grow. If you see our performance in the last 3/4/5 years, our growth has been on a compounded annual basis of around 30-35%. So, we should ideally continue to focus on going around 30-35% going forward also. However, in the current year, we will be a little bit more cautious on our lending. So, we may not grow at the same rate at which we have grown in the last 3 or 4 years. It might taper down a bit. However, we will be picking up customers based on thorough diligence and ensure that we don't leave a good customer out. I am not able to provide the growth percentage. But take it from me that we will be focused on getting good customer and servicing their requirements. In terms of staff, what we did is for all the people in the front end people who are in the field and people who are in the branches, we have been actually very supportive to them. We have completed the appraisal of staff for the last year performance and for the staff at the lowest level Increments were given effective First April. Whereas, for the middle management, the increment were given effective July and for Senior Management, increment would be given effective 1st October only.

Second thing is that, for the lowest staff i.e field staff we did support them on the variable pay also, because in April and May we were under complete lockdown. June was opening up. So most of them would not have been able to perform to achieve their incentive. So we supported them by giving them average incentive in the fourth quarter of last year so that they are not adversely impacted financially. In terms of Mid management and senior management staff, all of our staff had taken a pay cut with ranges from 7% to 10% in some cases it was even 25%. The Executive Director of your company took a pay cut of 25% while I had taken over 25% cut. Rest of the management team took pay cut based on their grades 7% or 10%. In terms of other cost cutting measures, we have gone extremely strong on our digital foot print; and work from home is something that we are all suddenly becoming used to. Now already in our head office about 15,000 square feet had been surrendered to the landlords and we are planning to surrender a little bit more going forward. And there will be other branch level cost cutting that we are looking at. That's the lot of efforts and initiatives among the cost cutting. However, we may not be going for a very very strong cost cutting because as I mentioned the bank will continue to be focussing on disbursements and loans, so to some extent we will still need all our staff. It is not like we are going to stop functioning. Profit growth last year was a very good year. We had done a very good performance. But in the end of March 2020, we had ₹100 crore extra provision for covid and this year we had already taken ₹45 crore provision for covid general provision. Subject to that, we have to see how the rest of three quarters pan out. Let's really hope and pray that bank is able to do well on the profit side.

On the NPA recovery, there is lot of process on the bank side both in terms of arbitration, in terms of SARFAESI and all other related legal option which are available in front of the bank. All actions that are possible will be continuously taken to recover the NPAs. On the dividend side, as the Chairman had announced in its opening remarks, the Board of Directors in its meeting held earlier in the day have announced a 10% that is Re. 1 per share, Interim dividend for the year. So that's a good news for all of us. The record date was fixed at August 19, 2020.

On the investor relations side, we are conscious of the need to maintain a strong relationship with all our stakeholders, which includes our investors and analysts and the general market. We are engaged on that and we have done a lot of road shows; we have travelled to different parts of the world for meeting investors. We also have a quarterly conference call after the Board Meeting, once the quarterly results are announced to all the investors and analysts. This quarter we have scheduled a call at 4 p.m. tomorrow. So we continue to engage with our stakeholders which includes our investors to maintain the best of relationship with all of them. You have asked some information on our current assets, current liabilities etc. That is very detailed. So if you really want to know, I will have to ask my CFO to talk to you and then we will share the data that you need subject to confidentiality especially client confidentiality. We will be happy to share with you the same separately.

Next question was in terms of directors' contribution to the performance and growth of the company and the bank and its business. I am very happy to inform you that we have a highly engaged Board with the business of the bank. They devote extremely large amount of their time even though they were all Independent Non-Executive directors. They still spend an enormous amount of time engaging with the business of the bank in all respects not just business, profits and growth but also in compliance, risk, audit and accounting and we are substantially benefited from their continuous support, guidance and advice.

The next question was on usage of technology. I am very happy to inform that we are one of the few banks in the country to move ahead strongly on technology during the lockdown. When the country was under lockdown at the end of March, we could have also just given up and sat at home and said what can we do, we can't go up and do any business. But our team really took the challenge and we rolled out our Selfe savings account module where anybody can go to our website or download our app and in a matter of 4-5 minutes they can open a savings account. That was rolled out and our staff really did a lot of digi-marketing on that. I am very happy to inform you that in the worst of the lockdown quarter which is April – June quarter, where most of the country was under lockdown, we opened 57,000 savings accounts as against the normal average of around 30,000 accounts in any given quarter. So we actually managed to do substantially more than what we would have done in physical mode. We are also one of the very first banks to roll out a video KYC facility. The customer can open a savings account on the app through selfe and in 4-5 minutes, one of our staff can contact him and help him to do the video KYC, getting the customer on the video and take him through the journey of completing KYC. KYC is 'Know Your Customer' process and once that is done completely on a video, the account is fully opened and it is the full KYC account. We continue to engage strongly on the digital footprint and now taken up to digimarketing in the last one to two months. Again, I am very happy to inform you that it's a new channel for us. We have branch channel, we have field staff channel, we have the relationship manager channel but the new channel that we introduced is digi channel, about two months back. Now, the digichannel is delivering about 10,000 new accounts to the bank completely by itself without having to go and rely on the input or effort of any of the branch staff. Just completely new, digichannel which has now gone up as much as 10,000 accounts in a month which is more or less what we used to do before the covid times. We will continue to engage our technology to ensure that we use the best of innovations and technologies to grow our business further.

In terms of policies for avoiding bad loans, every bank will always have a desire to avoid bad loans. We also are no exception. We have strong credit policies and credit processes. We have board

approved credit policy for the bank and the credit policy is converted into credit processes for implementation by the operating team. We have a separate risk management department and also a Credit Risk management committee. That committee meets on a monthly basis to review the entire credit performance of our portfolio and keep suggesting changes to improve the quality further. So lot of efforts go through to ensure that the loans we give remains good and don't turn bad. Another query was in terms of interest coverage ratio. Anything above 1 is considered good. So ours is 1.27 and we are ok.

The next question was on the strategy to increase P&L to improve the share price of the Holdings Company. I can tell you that the financial performance of the bank has been and continues to be good. In spite of last year 100 crore extra provision, our ROA is still 1.2 % and ROE of nearly 10% . Hope that with god's grace and the market willing, the bank continues to do well. However, the share price of the holding company might be affected due to variety of reasons. So the market and the analysts/investors are the ones who influence movement in share prices and not the management. But all we can say is, we are committed and continued to stay focus in ensuring that the performance of the bank remains good all through. The next question was on moratorium details, I had already mentioned the moratorium details in my earlier presentation. I can repeat it quickly here. During the month of April May, we had 90% value of our advances book and then came down to 50% in the month of June and further came down to 43% in the month of July and going forward we will keep putting up in public place. We will keep putting up in our stock exchanges disclosure the movement in moratorium going forward. Thank you so much. I think I have covered all the questions.

Chairman : Thank you Mr. Vasudevan. Ladies and Gentlemen you have heard answers to your queries. As I said earlier, if you have some more clarification to seek, they are open to give them as soon as we get an indication from you. Please write to our company secretary and she will arrange a proper communication to be sent back to you. Now, we had already given a Notice of this meeting we have included certain subjects as a part of our ordinary business and as part of our special business . As part of ordinary business, it was for you to receive and adopt the auditors' report and Board's report, Profit & Loss account and the Balance sheet including the consolidated financial statements that we had placed before you along with an Independent Auditors certification. As I told you earlier, the Auditors' report does not carry any reservations. Then, we have before you the appointment of Mr Bhaskar and offers his reappointment. The third item is an Ordinary business to appoint M/s T R Chadha & Co LLP as the statutory auditors of the holding company. Then we have a separate list of special business that confirms with the appointment of Mr John Alex. As I introduced him to you, he is the CEO of the holding company and he has been suggested for re-appointment as Whole-time Director & CEO. Then we have the re-appointment of Directors, Independent Directors, Mr Chandrasekaran, Mr Rajaraman and Mr Arun Ramanathan and they are going through the second cycle of appointment as Independent Directors. Anyhow, my case I leave it to you whether you want to do it or not. Then, when I introduced myself to the meeting, I had indicated to you that we have an e-voting pattern. Evoting has been on from Friday to Sunday i.e yesterday and is closed by 5 pm yesterday. And you still have the chance to vote for anything you are free to do that. We have appointed Ms Jayashree S Iyer as the scrutiniser for the remote e-voting and voting at the AGM. And she will in due course present her report to the Board which is being put on the website of the holding company and the bank. Now only thing that is now left for me is to say a vote of thanks to all of you who have taken the trouble to come and be with us through electronically. We could see only a couple of few and in person on the screen and I know that a number of people have appeared without any opportunity of showing their

faces to us. But I am sure as I told you little earlier in my opening remarks that this feature of hide and seek will not continue in the next year. We will have a face to face meeting so that shareholders and directors can discuss things across the table. And occasionally some heat is developed. But this is part of the system. And we are sure that we will do that when we meet next time. God bless you all. Thanks a lot for your support and co-operation in keeping us going and I do hope that in line with the hope expressed by the shareholders, we will grow strong, we will go big and you will not feel ashamed to be a shareholder of Equitas SFB. You will consider it to be an asset and we will see to it that we want to process that. God bless you. Thank you.

Mr Vasudevan : Thank you sir. Thank you on the show.