

## Equitas Small Finance Bank Limited

August 09, 2021

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Subordinated Debt (EMFL)	-	-	Withdrawn
<b>Total Long-Term Instruments</b>	<b>0.00 (Rs. Only)</b>		

\*Details in Annexure I.

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE A+; Stable' (A Plus; Outlook: Stable) assigned to the subordinated debt (EMFL) of Equitas Small Finance Bank with immediate effect as the bank has repaid the aforementioned subordinated debt issue in full and there is no amount outstanding under the said issue as on date. The above action has been taken at the request of Equitas Small Finance Bank and 'No Dues Certificate' received from the investor.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Equitas Small Finance Bank Limited (ESFB) is a Chennai-based Small Finance Bank (SFB) which has commenced its banking operations on September 05, 2016. ESFB is a subsidiary of Equitas Holdings Ltd (EHL, holding company of the group). Post IPO in October 2020, the bank is listed on BSE & NSE. As on March 31, 2021 EHL held 81.98% stake in the ESFB.

ESFB is currently focussed in retail banking business with focus on micro-finance, vehicle finance, housing finance, business loans, loan against property (LAP) and providing financing solutions for individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels while providing a comprehensive banking and digital platform for all. As on March 31, 2021 the bank had a network of 861 banking outlets, with deposits of Rs. 16,392 crore and assets under management of Rs.17,925 crore.

### Financial Performance

(Rs. Crore)

Brief Financials	2020 (A)	2021 (A)
Total operating income	2,928	3,612
PAT	244	384
Interest coverage (times)	1.52	1.63
Total Assets	19,201	24,562
Net NPA (%)	1.67	1.58
ROTA (%)	1.40	1.76

A – Audited;

As per CARE's Calculation

Total asset is excluding deferred tax

**Status of non-cooperation with previous CRA:** NA

**Any other information:** NA

**Rating History for last three years:** Please refer Annexure-2

**Complexity level of various instruments rated for this company:** Please refer Annexure-3

### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debt-Subordinate Debt	INE186N08025	-	-	-	0.00	Withdrawn

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (03-Apr-18)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (03-Apr-18)
3.	Fund-based-Long Term	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)
5.	Debt-Subordinate Debt	LT	-	-	-	1)CARE A+; Stable (04-Dec-20)	1)CARE A+; Stable (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)
6.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (05-Oct-18)
7.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)
8.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)

## Annexure-3: Complexity of instruments

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

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