



CONTENTS

Company Overview

Key Performance Indicators	01
Chairman's Insights	02

Statutory Reports

Directors' Report	04
Management Discussion and Analysis	21
Report on Corporate Governance	29
Business Responsibility Report	44

Financial Statements

Standalone	
Independent Auditors' Report	52
Balance Sheet	58
Statement of Profit and Loss	59
Cash Flow Statement	60
Statement of Changes in Equity	61
Notes to Accounts	62

Consolidated	
Independent Auditors' Report	106
Balance Sheet	112
Statement of Profit and Loss	113
Cash Flow Statement	114
Statement of Changes in Equity	116
Notes to Accounts	118
Form AOC-1 – Financial Position of Subsidiaries	189



Received CSR Award from the Ministry of Corporate Affairs, Government of India, for Contribution to National Priority Areas – Slum Area Development.

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 group companies. The Company operates two 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.

Equitas (Erstwhile NBFC) was launched with the aim of improving the quality of life by increasing total household asset value of those who are not effectively serviced by the formal financial sector, by providing transparent and trustworthy access to relevant financial products and services by deploying cutting-edge technology platforms and forming partnerships and alliances.

Consolidated Performance Highlights

FY 2019-20

BALANCE SHEET SIZE (₹ Cr)	33%	NO. OF ACTIVE LOAN ACCOUNTS	21%
20,835	↑	24,19,063	↑
NETWORTH (₹ Cr)	14%	TOTAL DEPOSITS (₹ Cr)	20%
2,784	↑	10,679	↑
LOAN AUM (₹ Cr)	32%	RETAIL DEPOSITS (₹ Cr)	133%
15,440	↑	3,849	↑
DISBURSEMENTS (₹ Cr)	16%	NO. OF DEPOSIT ACCOUNTS	89%
9,911	↑	11,74,156	↑

% represents YoY growth

Chairman's Insights

Delivering concrete results

ESFBL has adopted the strategy to create a long-term granular retail liability franchise and has achieved satisfying results in its endeavour. ESFBL 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.

Dear Shareholders,

It gives me immense pleasure to share my views with you through this Annual Report – about what we are, what we set out to accomplish, and what we have achieved so far. It is also important to analyse our achievements through the lens of our declared strengths – accountability, transparency and full disclosure.

Before I delve deeper into our performance, it is crucial to outline the external environment in which we currently operate in. We seem to be in a cauldron being pushed here and there by forces beyond our comprehension and control, that dictate our economic and social progress. From somewhere around the middle of the last financial year, we had noticed worrying signs of a downtrend in our economy. That has been compounded by the outbreak of a pandemic that poses a significant threat to the community's wellbeing and safety.

However, we are not alone in this; most countries across the globe are going through this process of 'adjustment'. Hope and faith are our constant companions to tide over the crisis. I do hope that the problems

and difficulties will sort themselves out in the near future. My prayers and good wishes are with you all in staying safe and healthy during this pandemic situation.

Looking back at my association with Equitas, I realised that I have been part of this 'experience' for the last 13 years. In the middle of 2007, when I was exposed to the organisation, I must admit that what drove me into this orbit as the commitment and vision of the people behind Equitas to deliver a product that was distinctive, that was socially relevant and that served a greater purpose. That vision has remained unaltered to date. I can assure you all that those objectives have not been whittled even by a small measure.

You may recall that we started out with Micro-Financing. As we moved ahead, along with the tremendous support of our investors and other stakeholders, we progressively added vehicle financing, mortgage financing and a host of other activities. All these milestones have merged to form the organisation that we have today. Between then and now, our primary objective of being socially relevant has been an unwavering constant and has not changed a bit.

We existed for and continue to serve the 'neglected' sectors and society, who did not have a formal source of income and were 'underserved' by other players, and continue to do so, to this day. We have demonstrated to the society and the powers that be – that this part of society, which has remained unserved and underserved, can be enabled to discharge its societal obligations, as well as other segments. We supported their cause and instilled confidence in them. In targetting our synergies at this segment, our business has grown with their support, and we remain proud to be a beacon of hope to these people.

While we were doing this, we did not forget to invoke our motto of being relevant, accountable, and transparent. We were the first among micro-finance organisations to openly declare the process of interest calculation, issue passbooks and inculcate a sense of trust in these people unmindful of the fact that our return on investments was comparatively lower than that of our competitors.

Let me assure you, dear shareholders, that commitment and philosophy guides us even today. Equitas is proud to be a participant in this social movement.

Apart from the businesses based on these principles, we have committed ourselves to grow with our customers, and their happiness was somewhat enhanced by a clutch of welfare measures. We started all these activities well ahead of government-mandated CSR initiatives.

We run medical camps, eight 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 topped their districts and state in board examinations.

It is our deep desire that the 5% of our profits, used for our societal activities, will help us to achieve even nobler objectives in the future.

BUSINESS

We are a Holding Company (Holdco) and our business is carried out by the two subsidiaries – a major part of our activity is the Small Finance Bank (SFB), one of the first to commence operations as a bank, and a small part of our activity relates to the setting up of an electronic platform for transportation. The published accounts give details of the functioning of these businesses. You may be glad to know that our businesses have been progressively improving.

For the Bank, we have a separate Board, which comprises competent professionals and is chaired by Mr. Arun Ramanathan, IAS (Retired). A Board of competent professionals assists him. I must compliment Mr. Arun 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 Bank has adopted the strategy to create a long-term granular retail liability franchise and has achieved satisfying results in its endeavour. The Bank continues to focus on growth of retail deposits, which provide a stable and low-cost source

of funding. 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 its control. As the economy stabilises after exiting the 'lockdown', the Bank will pursue its carefully laid out plans. The Bank has made significant investments in new-age technologies to deliver superior experiences to customers and increase operational efficiency and reach. These investments have started yielding results.

Equitas Technologies has been adopting modern methods of transport engineering and we are hopeful of making a successful venture out of it. These are visible signs of improvement in this business in the later part of the past year, and in the current quarter.

STAKEHOLDERS

You are the most critical engine for growth. I am glad to note that you understand us completely and are a source of great strength. It is gratifying to note that as shareholders, we have a mix of institutional and retail investors, and the Board and I are very grateful for all your support.

I am aware of the fact that at the Initial Public Offer of the Company in 2016, all of you had stood by us. We will not forget the support that we have received from all of you.

We are a core investment NBFC, regulated by the Reserve Bank of India. NBFC regulations require us to direct a major part of our resources in 'investments'. The Bank is our major investment. It implies, therefore, that for us to reward our investors, we must get a return on our investment. The Bank is governed by the objectives and regulations of the RBI, and the central bank does not permit dividend payments by a Bank in its initial years, even if the institution makes profits. We had explained this position at the last meeting of our shareholders. We expected the restriction to be lifted this year, but the RBI has blocked dividends by all banks this year.

One other condition laid down by the RBI was that the banking subsidiary must be listed separately by the end of the third year of the start of business. For us, the deadline was September 4, 2019.

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, resultant to which, the Bank initiated the move to go in for an IPO. Requisite permissions were received in February-March 2020. The IPO was scheduled 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 when a clear situation emerges.

Our investors have faced a situation where the market price of the Company's shares witnessed a downward trend, in line with the perceptible drop in market value of shares of companies in the financial sector, including banks, for reasons that the world economy is undergoing a period of stress. We expect this phase to get over soon and normal activities to resume in the market. I thank all our investors for their continued support and patience during these challenging times.

Until last year, we had held physical meeting of shareholders which enabled the Board, the management, and the shareholders to exchange ideas. This year, we will hold virtual meetings, but we remain open to exchange of ideas as ever.

The Board and I personally thank our investors and other stakeholders, for their continued interest in us. We are grateful to you for entrusting us with the responsibility of protecting your interests. We assure you that we will earnestly do this with the exemplary standards of transparency, accountability and reliability, guided by our purpose and promise as a social institution.

May God bless you.

RANGACHARY N.
Chairman

Directors' Report

To,
The Members,
Equitas Holdings Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the audited accounts of the Company on a Consolidated and Standalone basis for the Financial Year ended March 31, 2020 (FY 2019-20).

1. Financial Results

The summary of Company's financial performance, both on a Consolidated and Standalone basis for FY 2019-20 compared to the previous year, FY 2018-19 is given below:

Particulars				
	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Total Revenue	293,590	235,853	1,907	2,252
Less: Total Expenditure	261,973	208,722	607	980
Profit before taxation	31,617	27,131	1,300	1,272
Provision for taxation	11,017	9,474	530	339
Profit after taxation[A]	20,600	17,657	770	933
Other Comprehensive Income [B]	119	40	(1)	1
Total comprehensive Income for the year, net of tax [A+B]	20,719	17,697	769	934
Transfer to Statutory Reserve	6,245	5,451	154	187
Transfer to Special reserve	483	264	Nil	Nil
Transfer to investment fluctuation reserve	276	843	Nil	Nil

(₹ in lakhs)

2. Dividend

The Directors do not recommend any dividend for the year.

3. Transfer to Reserves

Your Company has transferred a sum of ₹ 154 lakhs to Statutory Reserve as required under the Reserve Bank of India Act, 1934.

4. Capital Adequacy

The Capital Adequacy Ratio of the Company stands at 97.19% as of March 31, 2020 as against the minimum capital adequacy requirements of 30% stipulated by RBI.

5. Material Changes and Commitments

There were no material changes and commitments between the end of FY 2019-20 and the date of this report, affecting the position of the Company except the impact of COVID-19 pandemic and enforced lockdown on the business of the Group, details of which are covered under Management Discussion & Analysis, forming part of this Report.

6. Share Capital

The Company, during the year, has issued in aggregate, 328,497 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 ₹ 3,417,899,950 as at March 31, 2020 as compared to ₹ 3,414,614,980 as at March 31, 2019.

7. Investment in Subsidiaries

During the year under review, the Company had infused a capital of ₹ 200 lakhs in its Subsidiary, Equitas Technologies Private Limited by subscribing to its equity shares on a rights basis.

8. 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.

9. 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.

10. Fixed Deposits

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

11. 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 customers and truck owners to connect online and carry out transactions on a 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.

12. 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 as against the prescribed 2% of average net profits made during the preceding three financial years. Equitas Development Initiatives Trust, a registered Public Charitable Trust to implement schemes and projects approved as per the CSR policy. A report on CSR activities is enclosed as **Annexure – I**.

13. 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 ensure compliance with the aforesaid licensing conditions, a Scheme of Arrangement was formulated between ESFBL, the Company and its shareholders, proposing issue of shares of ESFBL for no cash consideration to shareholders of the Company by capitalising securities premium, free reserves and surplus in the profit and loss account. This Scheme was submitted to SEBI through Stock Exchanges for approval in February 2019. As this Scheme was returned by SEBI in September 2019, ESFBL has initiated steps to list its shares through an Initial Public Offer (IPO).

The Bank filed Draft Red Herring Prospectus (DRHP) for the proposed IPO, with SEBI on December 16, 2019. The DRHP proposed primary issue of upto ₹ 550 crore and Offer for Sale by Equitas Holdings Limited, the promoter selling shareholder of upto 8,00,00,000 (Eight crore only) shares.

However, due to the COVID-19 global pandemic and consequent lockdowns across the country, the launching of the IPO and listing have been delayed. Management and the Board of Directors of ESFBL remain committed to completing the IPO of shares once normalcy in business operations following the lockdown is restored.

14. Performance and Financial Position of Subsidiaries

As required under Section 129 of the Act 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.

15. Consolidated Financial Statements

The Consolidated Financial Statements which have been prepared in accordance with the Companies Act, 2013 ("the Act") and the relevant Accounting Standards form part of this Annual Report.

16. Management Discussion and Analysis Report

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

17. 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.

18. Business Responsibility Report

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

19. Board Meetings

During FY 2019-20, the Board of Directors of the Company met five 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.

20. 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.

21. Directors & Key Managerial Personnel

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

Change in Directors

The Board of Directors of the Company at its Meeting held on August 02, 2019, had appointed Mr. Jayaraman Chandrasekaran as Additional Director of the Company w.e.f. August 02, 2019. Further, the Board at its Meeting held on November 08, 2019 had appointed Mr. John Alex as Whole-Time Director of the Company designated as Executive Director & Chief Executive Officer (ED & CEO) in the place of Mr. Bhaskar S, who ceased to be an ED & CEO w.e.f. close of office hours on October 20, 2019. However, Mr. Bhaskar S, continues to be a Non-Executive Director w.e.f. October 21, 2019.

Resolutions for appointment of Mr. Jayaraman Chandrasekaran as a Director and Mr. John Alex as a Director and Whole-Time Director (ED & CEO) of the Company are being placed before the shareholders for approval at the ensuing Annual General Meeting (AGM) and the same has been included in the Notice of AGM. Brief profile of the above appointees has been annexed to the Notice of AGM.

Mr Rangachary N, Chairman & Independent Director of the Company was appointed with effect from May 7, 2015 for a period of five years. He continues to satisfy the criteria of independence as provided in Section 149(6) of the Act, Rules framed thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). However, considering the fact that Mr Rangachary has been associated with the Company for more than ten years and that his continued association would immensely benefit the Company, your Directors recommend his re-appointment with effect from May 7, 2020 as a Non-Executive Non-Independent Director of the Company, as a good governance practice.

Mr Rajaraman P V and Mr Arun Ramanathan, Independent Directors of the Company were appointed with effect from May 7, 2015 for a period of five years. Your Directors recommend their re-appointment for the approval of shareholders, for a period of five years with effect from May 7, 2020, as their continued association as Independent Directors and as Members 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 the 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-TermsnConditions.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, Non-Executive 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.

The Appointment of Independent Director(s) during the year were made with satisfaction of the Board after ascertaining the integrity, experience, expertise and proficiency of the Director.

Key Managerial Personnel

As at March 31, 2020, the Company had the following Key Managerial Personnel (KMPs):

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

22. 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 Code of Conduct for Directors.

23. 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 2019-20 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.

24. 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>.

25. 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, 2020 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.

26. 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 employee's Remuneration and the percentage increase in remuneration	Name of the Director	Ratio of remuneration* to median remuneration of employees	% increase in remuneration in the financial year
	Mr. Rangachary N, Chairman ¹	0.47:1	
	Mr. Arun Ramanathan	Nil	
	Ms. Jayshree Ashwinkumar Vyas, Independent Director ¹	0.24:1	
	Mr. Jayaraman Chandrasekaran, Independent Director ²	0.16:1	
	Mr. Rajaraman P V, Independent Director ¹	0.24:1	
	Mr. Viswanatha Prasad, Independent Director ¹	0.35:1	Please refer the note below
	Mr. Bhaskar S, (As ED & CEO from April 1, 2019 to October 20, 2019 and as Non-Executive Director and from October 21, 2019 to March 31, 2020) ³	7.04:1	
	Mr. John Alex, ED & CEO (from November 8, 2019) ²	2.73:1	
	¹ Remuneration decreased by 8.61% during the year. ² Comparison not feasible since appointed during the year. ³ Comparison not feasible since ceased to be ED & CEO during the year. *Does not include sitting fee paid to directors for attending the Meetings of Board and Committees.		
(ii) the percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Increase in remuneration of KMP is as follows:		
	CFO	17%	
	CS	7.80%	

(iii) the percentage increase in the median remuneration of employees in the financial year;	7.80%
(iv) the number of permanent employees on the rolls of the Company as on March 31, 2020	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 13.11%. There was a change in ED & CEO during the year. Hence comparison is not feasible.
(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.

27. 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>.

28. Auditors

Statutory Auditors

M/s S R Batliboi & Associates LLP ("SRB"), Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of 10th AGM held in 2017 till the conclusion of 15th AGM to be held in 2022.

SRB's term of appointment in the Company's Subsidiary, Equitas Small Finance Bank Limited (ESFBL) would end after the conclusion of ensuing AGM of ESFBL in terms of the extant regulations of Reserve Bank of India in this regard.

In this connection, SRB has expressed that they would not be in a position to obtain sufficient participation in the audit of the Consolidated Financial Statements of the Company after ceasing to be auditors of ESFBL and accordingly have communicated their intent to resign as auditors of the Company upon issuing review report on results of the Company for the quarter ending June 30, 2020.

Consequent to the above, the Board of Directors of the Company, on May 29, 2020 has recommended appointment of M/s T R Chadha & Co LLP, Chartered Accountants, having Registration Number (Firm Registration No: 006711N/ N500028) as Statutory Auditors of the Company in view of having common network of Auditors for the Company & ESFBL, for a period of five years from the conclusion of 13th Annual General Meeting till the conclusion of 18th Annual General Meeting of the Company to be held in the year 2025 subject to resignation of SRB taking

effect. The said matter is being placed before the shareholders for their approval at the ensuing AGM.

The Company has received the written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from M/s. T R Chadha & Co LLP. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

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

There have been no frauds reported during the Financial Year ended March 31, 2020.

30. Secretarial Auditors

The Secretarial Audit Report of M/s B Ravi & Associates, Practising Company Secretaries for FY 2019-20 is enclosed as **Annexure-III**.

Your Company has complied with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year.

31. 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.

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

During FY 2019-20, the Company had no activity relating to conservation of energy or technology absorption. Also, there were no foreign currency earnings or outgo.

33. Details of Employees Stock Option Scheme

Nomination, Remuneration & Governance Committee constituted by the Board of Directors of the Company, administers the Employee Stock