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The Notice of AGM along with the Annual Report for FY 2024-2025 is dispatched today by electronic means, to all eligible Members and Debenture holders, whose email IDs are registered with the Bank/Depositories.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For **Equitas Small Finance Bank Limited**

N Ramanathan
Company Secretary
Encl: a/a

Copy to: NSDL, CDSL & KFin Technologies Limited (RTA)

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EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

Registered Office: 4th Floor, Phase II, Spencer Plaza No. 769, Mount Road, Anna Salai, Chennai -600002

Tel: 044-4299 5000; Fax: 044-4299 5050

Website: www.equitasbank.com, E-mail: cs@equitasbank.com

NOTICE OF THE NINTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninth Annual General Meeting (9th AGM) of the Members of Equitas Small Finance Bank Limited ("the Bank") will be held on Wednesday, September 10, 2025 at 11 A.M. Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder, General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 , 9/2023 dated September 25, 2023, 9/2024 dated September 19, 2024 and other relevant circulars and notifications issued in this regard by the Ministry of Corporate Affairs, Government of India, to transact the following business:

ORDINARY BUSINESS

Item No. 1: To receive, consider and adopt the Audited Financial Statements of the Bank for Financial Year ended 31st March 2025 and the reports of the Board of Directors and the Auditors thereon

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the audited financial statements of the Bank, i.e., Statement of Profit and Loss and the Cash Flow Statement for Financial Year ended March 31, 2025 and the Balance Sheet as at that date, together with the reports of the Board of Directors and the Independent Joint Statutory Auditors thereon be and are hereby received, considered and adopted".

Item No. 2: To appoint a Director in place of Mr. Vasudevan P N (DIN: 01550885), who retires by rotation and being eligible, offers himself for re-appointment

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013, Mr. Vasudevan P N (DIN:01550885), who retires by rotation and being eligible, offers himself for re-appointment and be and is hereby re-appointed as a Director of the Bank liable to retire by rotation."

Item No. 3: To fix the remuneration payable to Joint Statutory Auditors for Financial Year 2025-26

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, and the guidelines and circulars issued by the Reserve Bank of India ("RBI") in this regard, from time to time, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force, the approval of the Members of the Bank, be and is hereby accorded for payment of an overall audit fee not exceeding Rs.1,13,55,000/- (Rupees One Crore Thirteen Lakhs and Fifty Five Thousand Only), to M/s. ASA & Associates LLP, Chartered Accountants (Firm Registration No. 009571N/N500006) and M/s. Suri & Co., Chartered Accountants, Chennai (Firm Registration No. 004283S), the Joint Statutory Auditors of the Bank, for the financial year 2025-26 with such yearly increase, as may be determined by the Board of Directors including the Audit Committee of the Board and that the same be allocated by the Bank between the Joint Statutory Auditors, depending upon their respective scope of work, in addition to any out of pocket expenses and taxes, as applicable.

RESOLVED FURTHER THAT the Board of Directors ("Board"), including the Audit Committee of the Board or any other person(s) authorised by the Board or Audit Committee in this regard, be and is hereby authorised to negotiate, finalise, allocate / apportion the aforesaid remuneration between the Joint Statutory Auditors, depending on their respective roles and responsibilities / scope of work including certifications, and if required, alter and vary the terms of remuneration due to any change / modification in roles and responsibilities / scope of work, any amendments in Accounting Standards or regulations and such other requirements resulting in the change / modification in roles and responsibilities / scope of work, etc., of the Joint Statutory Auditors, without being required to seek any further consent or approval of the Members of the Bank."

SPECIAL BUSINESS

Item No. 4: To fix the remuneration payable to Mr. Vasudevan P N (DIN: 01550885) as the Managing Director & Chief Executive Officer

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, provisions of Section 10B, 35B and other applicable provisions of the Banking Regulation Act, 1949 and RBI circular dated 4th November 2019 on compensation structure for the Whole Time Directors and Material Risk Takers (MRT) and the rules, circulars and guidelines issued by the Reserve Bank of India (the "RBI") in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force) and the recommendation of the Nomination & Remuneration Committee of Board and the Board thereof and subject to approval of RBI and the conditions as may be prescribed by RBI while granting such approval, the Members do hereby approve the remuneration payable to Mr. Vasudevan P N, MD & CEO (DIN: 01550885) as detailed below and in the Explanatory Statement, and as may be approved by the RBI effective from April 1, 2025.

Component	Value
Fixed Pay (including retirals and perquisites)	Rs.2,63,94,000/-
Variable Pay	Rs.3,56,31,900/- 1/3rd of this will be payable in cash and the balance 2/3rd through ESOPs, in compliance with applicable regulations.
Medical Benefits	No change
Travelling and halting allowances	No change
Other benefits:	
a) Personal accident insurance	No change
b) Club membership	No change
c) Home Loan	No change

RESOLVED FURTHER THAT the Variable Pay shall follow performance matrix as applicable for the Material Risk Takers (MRTs) of the Bank as per norms.

RESOLVED FURTHER THAT if MD & CEO retires from the Bank or separates from the Bank for any reason other than being indicted for frauds or moral turpitude, the deferred component of the variable cash component pay shall be paid to him as per schedule irrespective of him not being part of the Bank.

RESOLVED FURTHER THAT the variable pay shall be subject to deferrals, malus and clawback clauses as applicable, as per regulatory guidelines and as described in the Remuneration and Benefits Policy of the Bank.

RESOLVED FURTHER THAT quantum of malus and clawback shall be determined by the Board under recommendation from the Nomination & Remuneration Committee.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Vasudevan P N shall be governed by Schedule V of the Act and rules made thereunder, as amended from time to time.

RESOLVED FURTHER THAT CFO, Chief People Officer, Company Secretary and Chief Compliance Officer be and are hereby severally authorised to seek approval of RBI and to do all such acts, deeds and things as may be necessary and incidental to give effect to this resolution including making necessary filings with regulatory and statutory authorities."

Item No. 5: To appoint M/s. Shanmugam Rajendran & Associates LLP as Secretarial Auditor of the Bank for a term of 5 consecutive years from FY 2025-2026 to FY 2029-2030

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Circulars issued thereunder from time to time and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Bank, consent of the Bank be and is hereby accorded for appointment of M/s. Shanmugam Rajendran & Associates LLP, Practising Company Secretaries (Firm Registration No. L2017TN002700) as the Secretarial Auditor of the Bank for a period of five (5) consecutive years from Financial Year 2025-2026 to Financial year 2029-2030 to conduct Secretarial Audit of the Bank and to issue (i) the Secretarial Audit Report under Section 204 of the Act (ii) the Secretarial Compliance Report under Regulation 24A(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

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2015 and to provide such other services/certifications/reports/ opinions as may be required by the Bank and as permitted under the Act or other applicable laws/Regulations from time to time, at such remuneration including applicable taxes and out of pocket expenses as may be determined by the Bank.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters, and things as may be considered necessary, proper, and expedient to give effect to this Resolution."

Item No. 6: To re-appoint Mr. Ramesh Rangan (DIN: 07586413) as an Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, Regulations 16(1)(b), 17, 25 (2A) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A 2(a) and other applicable provisions, if any, of the Banking Regulation Act, 1949, RBI Circulars dated June 25, 2004, May 23, 2011, November 24, 2016 and March 31, 2020 on Fit and Proper criteria for Directors of Banks & the rules, guidelines and circulars issued by the Reserve Bank of India ("RBI") from time to time and any other applicable laws (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Board approved Policy for Selection and Appointment of Directors, the Articles of Association of the Bank and pursuant to the recommendation of the Nomination & Remuneration Committee and the approval by the Board of Directors of the Bank ('Board'), Mr. Ramesh Rangan (DIN: 07586413), who was appointed as an Independent Director at the 5th Annual General Meeting of the Bank held on August 12, 2021 for a period of five years with effect from November 09, 2020 till November 08, 2025 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 Obligation and Disclosure Requirements) Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Bank, not liable to retire by rotation, for the second consecutive term of three years with effect from November 09, 2025 until November 08, 2028 (both days inclusive) at such remuneration as may be determined by the Bank from time to time in addition to the sitting fees for Board / Committee meetings of the Bank, as may be determined by the Board of Directors of the Bank in accordance with the applicable provisions of the Companies Act, 2013 and in terms of the RBI's Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021, RBI's Circular on Review of Fixed Remuneration granted to Non-Executive Directors ("NEDs") dated February 09, 2024 and any other relevant RBI guidelines in relation to compensation to NEDs & SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including amendments thereof from time to time.

RESOLVED FURTHER THAT MD & CEO, CFO, CPO, CS and CCO of the Bank be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and incidental to give effect to this resolution including filing of necessary forms, returns, documents and intimations with the regulatory and statutory authorities."

Item No. 7: To issue Redeemable Unsecured Non-Convertible Debentures / Bonds / other debt securities on a private placement basis

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, any other rules, guidelines or circulars issued thereunder by the Ministry of Corporate Affairs and / or the Reserve Bank of India ("RBI"), from time to time, the Banking Regulation Act, 1949, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable laws (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Bank and subject to such other approvals, consents, as may be necessary from any regulatory / statutory authority, the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "Board" and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board) for borrowing / raising of funds by way of issue of redeemable securities in the nature of Unsecured Non-Convertible Debentures / Bonds / other debt securities, in Indian currency, in the domestic markets, as may be permitted under the RBI

guidelines, as applicable, from time to time, in one or more tranches or series, on a private placement basis, for a period of one year from the date hereof, for an amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crores Only), for augmenting Tier-II capital and for general corporate purposes, within the overall borrowing limits of the Bank, as per the structure and on such other terms and conditions including the price, coupon and tenure as may be determined, from time to time, by the Board.

RESOLVED FURTHER THAT the Board including any Committees of the Board or any other Official of the Bank authorized by the Board or its Committee are hereby authorised to do all such acts, matters, deeds and things and execute all such agreements, documents, instruments and writings as may be required to raise the funds, with power to settle all questions, difficulties or doubts that may arise with regard to the said matter as it may in their sole and absolute discretion deem necessary or expedient in connection with or incidental to give effect to the above resolution and to comply with all other requirements in this regard."

By Order of the Board of Directors
For **Equitas Small Finance Bank Limited**

Place: Chennai
Date: June 27, 2025

N Ramanathan
Company Secretary

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General Instructions for accessing and participating in the Ninth Annual General Meeting (AGM) of the Bank through VC/OAVM Facility and Voting through Electronic means (including Remote e- Voting)

1. Pursuant to the Circulars issued by the Ministry of Corporate Affairs (MCA) bearing reference No. 14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020, No. 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022; Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 issued by the Securities and Exchange Board of India (SEBI) (herein referred to as the "Circulars"), regulators continued permitting companies to hold their Annual General Meeting (AGM) through Video Conferencing ("VC")/ Other Audio Visual Means (OAVM) on or before September 30, 2025 without the physical presence of Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ("Act") read with aforesaid circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Bank is being conducted through Video Conferencing (VC). The deemed venue for this Ninth AGM shall be the Registered Office of the Bank.
2. The Explanatory Statement in adherence with Section 102 (1) of the Act setting out material facts concerning the business under Item No.4-7 of the Notice is annexed hereto. Information as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") in respect of Directors seeking re-appointment at this AGM is annexed to the Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforesaid Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Participation of Members in the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Institutional/Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. The Institutional/Corporate Members intending to appoint authorized representatives are requested to send a duly certified copy of the Board Resolution / Authorization letter to the Scrutinizer by email at needamohan@gmail.com with a copy marked to cs@equitasbank.com not later than 48 hours before the scheduled time of the commencement of the AGM.
6. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode. Members seeking to inspect such documents can send an email to cs@equitasbank.com
7. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote at the AGM.
8. Members who have questions or seeking clarifications on the Annual Report or on the proposals as contained in this Notice are requested to send e-mail to the Bank at cs@equitasbank.com on or before 5:00 P.M. on September 06, 2025.
9. The Members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID / Folio number and mobile number, on e-mail ID, cs@equitasbank.com on or before 5:00 P.M. on September 05, 2025. Depending on the availability of time, the Bank reserves the right to restrict the number of speakers at the meeting.
10. SEBI vide its Master Circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated that with effect from April 01, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: Click here.

11. Members are requested to note that in pursuance of the approved Scheme of Equitas Holdings Limited and the Bank, the unclaimed dividend accounts of Equitas Holdings Limited have been transferred to the Bank. The details of the unclaimed dividends (FY 2020-2021, 2022-2023 and 2023-2024) are available on the website of the Bank at https://ir.equitasbank.com/ and the Members who have not claimed their dividend can mail to the Registrar and Share Transfer Agent (RTA) at einward.ris@kfintech.com for claiming the same, failing which the unclaimed dividend will be transferred to the IEPF within the timelines as stipulated in the Act.

12. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/ mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc., to their Depository Participant ("DP") in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.

13. Members are requested to address all correspondence, including dividend related matters, to the Registrar and Share Transfer Agent (RTA), KFin Technologies Limited, Unit: Equitas Small Finance Bank Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032.

14. The Bank has appointed National Securities Depository Limited (NSDL) to provide Video Conferencing facility for the Ninth Annual General Meeting of the Bank.

15. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restriction.

16. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India ("ICSI") and SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Bank is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system on the date of the AGM will be provided by NSDL.

Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed M/s. Mohan Kumar & Associates, Practicing Company Secretaries represented by CS A Mohan Kumar, Practicing Company Secretary, Chennai as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

Members holding shares in physical or dematerialised form, as on cut-off date, i.e., September 03, 2025 may cast their votes electronically. The e-voting period commences on Sunday, September 07, 2025 (09.00 A.M. IST) and ends on Tuesday, September 09, 2025 (05.00 P.M. IST). The e-voting module will be disabled by NSDL thereafter. Members will not be allowed to vote again on any resolution on which the vote has already been cast. The voting rights of Members shall be proportionate to their share of paid-up equity share capital of the Bank as on the Cut-off date September 03, 2025. A person who is not a Member as on the Cut-off date is requested to treat this Notice for information purposes only.

Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Bank and become Members of the Bank after the Notice is sent and holding shares as of the cut-off date, i.e., September 03, 2025, may obtain the login ID and password by sending a request to evoting@nsdl.com. However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Bank

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and become Members of the Bank after the Notice is sent and holding shares as of the cut-off date, i.e., September 03, 2025, may follow steps mentioned in the Notice under '**Instructions for e-voting**'.

17. In compliance with the aforesaid MCA Circulars read with SEBI circulars, Notice of the AGM along with the Annual Report 2024-2025 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/ Depositories. The Notice calling the AGM is available on the website of the Bank at https://ir.equitasbank.com/shareholder-services/. The Notice can also be accessed from the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also from the website of e-voting agency NSDL at www.evoting.nsdl.com.

18. Members are requested to submit their PAN, KYC and nomination details to the Bank's RTA, Kfin Technologies Limited at einward.ris@kfintech.com. The forms for updating the same are available at https://www.equitasbank.com. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP.

19. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members may contact the Bank or Bank's Registrar and Share Transfer Agent (RTA), M/s KFin Technologies Limited for assistance in this regard.

20. 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 Bank / RTA / DP. The prescribed form can be obtained from the RTA / DPs as well as downloaded from the Bank's website https://www.equitasbank.com. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

21. As an eco-friendly measure intending to benefit the society at large, Members who have not yet registered their email addresses are requested to register the same with their respective DPs in case the shares are held in electronic mode and with RTA in case the shares are held in physical form. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP to enable servicing of notices / documents / reports and other communications electronically to their e-mail address in future.

22. All relevant documents will be available for inspection electronically during the AGM hours, which can be accessed using e-voting credentials.

23. As the Ninth AGM is being held through VC, Route map is not annexed to the notice.

24. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. ODR platform provides Members with an additional mechanism to resolve their grievances. Pursuant to the Listing Regulations and SEBI Circulars issued in this regard, the Bank had registered in SCORES 2.0 and SMART ODR portals to handle investor complaints electronically. The investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Bank's website at Click here.

25. The Scrutinizer will submit his report to the Chairman of the Bank ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than two working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Bank's website www.equitasbank.com

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ANNEXURE - EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 AND REGULATION 36 of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4

To fix the remuneration payable to Mr. Vasudevan P N (DIN: 01550885) as the Managing Director & Chief Executive Officer

Mr. Vasudevan P N has been the Managing Director & Chief Executive Officer of the Bank since its inception as per the approvals received from RBI periodically based on the recommendations of the Board of Directors of the Bank. The latest approval from RBI vide its letter dated June 15, 2023 is for a period of three years with effect from July 23, 2023.

The remuneration for the FY 2024-25 and the proposed remuneration for FY 2025-26, subject to approval of RBI are provided below:

Component	FY 2024-2025	FY 2025-2026
Fixed Pay (including retirals and perquisites)	Rs.2,49,00,000/-	Rs.2,63,94,000/-
Variable Pay*	Rs.2,35,30,500/-	Rs.3,56,31,900/-

*1/3rd of this will be payable in cash and the balance 2/3rd through ESOPs, in compliance with applicable regulations.

The Board recommends the Ordinary Resolution set forth in Item No. 4 above for approval of the Members.

Interest of Directors and KMP

Mr. Vasudevan P N and his relatives may be deemed to be concerned or interested in the Resolution set out at Item No. 4. None of the other Directors or the Key Managerial Personnel of the Bank and their relatives as per Section 2(77) of the Companies Act, 2013 are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of this Notice except to the extent of their shareholding.

Item No. 5:

To appoint M/s. Shanmugam Rajendran & Associates LLP as Secretarial Auditor of the Bank for a term of 5 consecutive years from FY 2025-2026 to FY 2029-2030

This explanatory statement is in terms of Section 102 of the Companies Act,2013 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), every listed company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report, prepared under Section 134(3) of the Act. Further, in accordance with Regulation 24A of the SEBI Listing Regulations, every listed entity is required to conduct a Secretarial Audit and annex the Secretarial Audit Report to its Annual report.

Further, the Securities and Exchange Board of India ("**SEBI**") vide Notification No. SEBI/LAD-NRO/GN/2024/218 dated December 12, 2024 had introduced 'Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024' effective from December 31, 2024 which inter-alia mandates approval of the Members at Annual General Meeting for the appointment/re-appointment of Secretarial Auditor. As per the aforesaid regulations, a listed entity shall appoint or re-appoint:

(i) an individual as Secretarial Auditor for not more than one term of five consecutive years; or

(ii) a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of the Members in the Annual General Meeting.

After evaluating various factors such as industry experience, technical expertise, competence of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Bank at its meeting held on April 30, 2025 based on the recommendation of the Audit Committee had approved the appointment of M/s. Shanmugam Rajendran & Associates LLP (Firm Registration No. L2017TN002700), Practising Company Secretaries, as the Secretarial Auditor of the Bank for a term of 5 consecutive years from FY 2025-2026 to FY 2029-2030. The appointment is subject to Members' approval at the ensuing Annual General Meeting at such remuneration, as may be agreed between the Bank and the Secretarial Auditor.

The details in relation to and credentials of M/s Shanmugam Rajendran & Associates LLP, Practicing Company Secretaries are, as follows:

M/s. Shanmugam Rajendran & Associates LLP (formerly SR Srinivasan & Co. LLP) is a firm of Practicing Company Secretaries from Chennai, incorporated as a limited liability partnership in the year 2017. Founded by senior company secretaries with more than 30 years' experience in various industries/practice, the firm has been providing services to top notch clients in several industries like manufacturing, banking, education, startups, healthcare, plantation, etc., M/s. Shanmugam Rajendran & Associates LLP has been peer reviewed in the year 2021 (P/R: 1177/2021). The firm provides professional services in the field of Corporate Laws, Securities Laws & Capital Markets, Banking Laws, Insolvency & Bankruptcy Code, Start-ups & Corporate Governance, etc.

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The terms and conditions of the Secretarial Auditor's appointment include appointment for a term of five (5) consecutive years from FY 2025-2026 to FY 2029-2030 at a remuneration of Rs.5,35,000/- (Rupees Five Lakhs Thirty Five Thousand only) plus applicable taxes and other out-of-pocket costs incurred in connection with the audit for FY 2025-26. The aforesaid remuneration is towards the Secretarial Audit report, Annual Secretarial Compliance Report and such other certifications and reports as the regulations may mandate for the Financial Year 2025-2026. The remuneration for the subsequent year, i.e., from FY 2026-2027 onwards will also be approved by the Bank based on the scope of work, team size, and the time and expertise required by the Secretarial Auditor to conduct the audit effectively.

Material changes in the fee payable to proposed new auditor from that paid to the outgoing auditor along with the rationale for such change

The same firm, i.e. M/s. Shanmugam Rajendran & Associates LLP was appointed as the Secretarial Auditor of the Bank for the FY 2024-2025 at a remuneration of Rs. 5,00,000/- (Rupees Five Lakhs only) plus applicable taxes and other out-of-pocket costs incurred in connection with the audit. Consequent to the recent amendments to the SEBI Listing Regulations, the appointment of the same firm is further proposed for the period from FY 2025-2026 to FY 2029-2030. The fees payable do not materially change except to the extent of an annual increase compared to the previous year's payment.

M/s. Shanmugam Rajendran & Associates LLP was appointed as the Secretarial Auditor of the Bank for the FY 2024-2025 and consequent to the recent amendments to the SEBI Listing Regulations, the appointment of the same firm is further proposed for the period from FY 2025-2026 to FY 2029-2030. (Hence, the aforesaid disclosure requirement is not applicable)

M/s. Shanmugam Rajendran & Associates LLP has provided its consent to act as the Secretarial Auditor of the Bank and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the consent of the Members is sought for the appointment of M/s. Shanmugam Rajendran & Associates LLP as the Secretarial Auditor of the Bank for the five years' period from 2025-26 to 2029-30.

The Board of Directors recommends the Ordinary resolution for approval by the Members, as set out at Item No. 5 of the Notice.

Interest of Directors and KMP

None of the Directors or the Key Managerial Personnel of the Bank and their relatives as per Section 2(77) of the Companies Act, 2013 are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 5 of this Notice except to the extent of their shareholding.

Item No. 6

To re-appoint Mr. Ramesh Rangan (DIN: 07586413) as an Independent Director

Mr. Ramesh Rangan was appointed as an Independent Director of the Bank for a period of five years effective from November 09, 2020. As per the provisions of Section 149 of the Companies Act, 2013 ("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 Bank and is eligible for re-appointment for a term on passing of Special Resolution. In accordance with Section 10A (2A) of the Banking Regulation Act, 1949, no Director of a Banking company, other than its Chairman or Whole Time Director, by whatever name called, shall hold office continuously for a period exceeding eight years. Mr. Ramesh Rangan would complete five years as an Independent Director of the Bank on November 08, 2025. Hence, his re-appointment is proposed for another three years from November 09, 2025 to November 08, 2028.

The Board, based on the performance evaluation and recommendation of Nomination & Remuneration Committee considers that given his background, experience and contribution, the continued association of Mr. Ramesh Rangan as an Independent Director on the Board of the Bank and as a member of various Committees of the Board would be of immense benefit to the Bank. In terms of Section 152(5) and Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Ramesh Rangan has furnished his consent for his re-appointment and the Bank has received a declaration from Mr. Ramesh Rangan to the effect that he continues to meet 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"). He has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge the duties as stipulated under Regulation 25(8) of SEBI Listing Regulations. Mr. Ramesh Rangan is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and he is not debarred from holding the office of Director by virtue of any Securities Exchange Board of India's order or any other such authority.

In the opinion of the Board, Mr. Ramesh Rangan satisfies all the criteria applicable for re-appointment including fit and proper criteria as mentioned in the Bank's Policy for ascertaining "fit and proper" status of Directors. His brief profile along with

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the information required to be furnished under Regulation 36 of SEBI Listing Regulations and Secretarial Standards-2 is annexed.

Interest of Directors and KMP

Mr. Ramesh Rangan and his relatives may be deemed to be concerned or interested in the Resolution set out at Item No.6. None of the other Directors or the Key Managerial Personnel of the Bank and their relatives as per Section 2(77) of the Companies Act, 2013 are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.6 of this Notice except to the extent of their shareholding.

The Board recommends the Special Resolution set forth in Item No.6 above for approval of the Members.

Item No. 7

To issue Redeemable Unsecured Non-Convertible Debentures / Bonds / other debt securities on a private placement basis

As per the provisions of the Companies Act, 2013 ("Act") (including any statutory modifications or re-enactments thereof, for the time being in force), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Rules"), as amended from time to time, a company offering or making an invitation to subscribe to securities on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution, where the proposed amount to be raised through such offer or invitation, together with monies already borrowed or raised, exceeds the limit as specified under the Act. It shall be sufficient if the Company passes a Special Resolution only once in a year for all such offers or invitations during the year.

With a view to catering to the increased credit demand from the eligible sectors as per the extant guidelines of the Reserve Bank of India ("RBI"), the Bank may be required to borrow money/(ies) by way of issue, from time to time, of redeemable securities in the nature of Unsecured Non-Convertible Debentures / Bonds / other Debt securities, in domestic, in one or more tranches or series, on a private placement basis, for an amount not exceeding Rs.1,000/- crores (Rupees One Thousand Crores Only), for its general corporate purposes and / or for financing infrastructure and affordable housing sector, as per the aforesaid provisions of the Act and the Rules and within the overall authorised borrowing limit of the Bank, as per extant guidelines. The proposed borrowings, along with the existing borrowings by the Bank, shall however not exceed the overall limits prescribed in the Act. The pricing of the Non-Convertible Debentures / Bonds / other Debt securities depends primarily upon the rates prevailing for risk free instruments, rates of other competing instruments of similar rating and tenor in the markets, investor appetite for such instruments and investor regulations which enable investments in such instruments. The Board of Directors had approved the borrowing / raising of funds, by way of issuance of redeemable securities in the nature of Unsecured Non-Convertible Debentures / Bonds / other Securities, in domestic, for an amount not exceeding Rs.1000 Crores (Rupees One Thousand Crores Only), on a private placement basis, in one or more tranches and series, within the overall borrowing limits of the Bank, as per the structure and on such terms and conditions as may be determined, from time to time, by the Board of Directors of the Bank or any Committee, subject to the approval of the Members of the Bank and subject to such other approvals, consents, as may be necessary from any regulatory / statutory authority.

The approval of the Members is being sought by way of a Special Resolution under the applicable provisions of the Act read with the Rules made thereunder, for the aforementioned purpose.

Interest of Directors and KMP

None of the Directors or the Key Managerial Personnel of the Bank and their relatives as per Section 2(77) of the Companies Act, 2013 are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.7 of this Notice except to the extent of their shareholding.

Details of Directors seeking Re-appointment (Information under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) read with Secretarial Standards-2

Name of the Director	Mr. Asuri Ramesh Rangan Sholinghur
DIN	07586413
Age	68 years
Qualifications	Bachelor of Science, Certified Associate of Indian Institute of Bankers, Management diploma and professional degree in Leadership & Corporate accountability from Duke University & Harvard University

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Name of the Director	Mr. Asuri Ramesh Rangan Sholinghur
Brief Profile / Experience	He last served as Managing Director, State Bank of Patiala, on deputation from State Bank of India including overseeing the merger of the Bank with State Bank of India, as a part of Banking Consolidation. His experience includes, 7 years in the Mid Corporate Group (MCG) created by SBI in various capacities as Deputy General Manager and General Manager in SBI in Bhubaneswar & Chennai Managing the merger of State Bank of Saurashtra (SBS) into SBI.
Nature of expertise in specific functional area	(i) Agriculture & Rural Economy (ii) Banking (iii) Finance (iv) Small Scale Industries (v) Human Resources (vi) Risk Management (vii) Business Management (viii) Rehabilitation and Reconstruction (ix) Merger of Bank (x) Government policies in Banking Division
Inter-se relationships with Directors and Key Managerial Personnel	Mr. Ramesh Rangan is not related to any Directors and Key Managerial Personnel of the Bank
Listed companies in which the Director holds directorship (other than Equitas Small Finance Bank Limited) and committee membership	Sumedha Fiscal Services Limited
Details of remuneration last drawn	Rs.10,00,000/- p.a.
Date of first appointment on the Board	09-11-2020
Shareholding in the Bank including shareholding as a beneficial owner	Mr. Ramesh Rangan does not hold any shares in the Bank. He does not hold any share in the Bank on a beneficial basis for any other person
Board Membership of other companies	• Sumedha Fiscal Services Limited • SBI DFHI Limited
Chairmanship/Membership of the Committees of other Boards	Member of the Audit Committee of Sumedha Fiscal Services Limited
Number of Board meetings attended during FY 2024-2025	Attended all the 9 Board meetings held during FY 2024-25
Listed Entities from which the Director has resigned as Director in past 3 years	Panyam Cements & Mineral Industries Limited
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	Skills and capabilities required for the role are as per the Bank's policy for Selection and Appointment of Directors. Mr. Ramesh Rangan has the relevant experience and expertise as mentioned in his brief profile.

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Name of the Director	Mr. Vasudevan P N
DIN	01550885
Age	62 years
Qualifications	B.Sc. (Physics), BL & ACS
Brief Profile / Experience	Mr. Vasudevan Pathangi Narasimhan is the MD and CEO of our Bank. He holds a Bachelor's Degree in Science (Physics) from University of Madras. He is a qualified Company Secretary from the Institute of Company Secretaries of India. He has extensive experience in the financial services sector. He worked for about two decades in Cholamandalam Investment and Finance Company Limited, part of the Murugappa Group, where he joined as a Management Trainee and resigned as the Vice President and Head of Vehicle Finance. He has also served as the Executive Vice President and Head of Consumer Banking Group in Development Credit Bank Limited, for more than one and a half years. He was also the Chairman of the Managing Committee of the South India Hire Purchase Association for Fiscal 2006. He became Managing Director of erstwhile Equitas Finance Limited, now our Bank with effect from July 23, 2016. He started Equitas Micro Finance India Private Limited in the year 2007 and was its Managing Director from inception. Over time, there were two other companies, Equitas Finance Limited and Equitas Housing Finance Limited and these along with the Micro Finance company merged to form Equitas Small Finance Bank in 2016 and he has been the MD & CEO of Equitas SFB from its inception in 2016.
Nature of expertise in specific functional area	Banking, Finance and Law
Inter-se relationships with Directors and Key Managerial Personnel	Mr. Vasudevan P N is not related to any Directors and Key Managerial Personnel of the Bank
Listed companies in which the Director holds directorship (other than Equitas Small Finance Bank Limited) and committee membership	None
Details of remuneration last drawn	Rs.2.49 Crores p.a.
Date of first appointment on the Board	September 04, 2016
Shareholding in the Bank including shareholding as a beneficial owner	93,143 equity shares
Board Membership of other companies	None
Chairmanship / Membership of the Committees of other Boards	None
Number of Board meetings attended during FY 2024-2025	Attended all the 9 Board meetings held during FY 2024-25
Listed Entities from which the Director has resigned as Director in past 3 years	None
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements (for Independent Directors)	Disclosure is not applicable

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Other Instructions for AGM

PROCEDURE FOR OBTAINING THE ANNUAL REPORT, AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES OR WITH RTA ON PHYSICAL FOLIOS:

In terms of the MCA and SEBI circulars, the Bank has sent the Annual report, Notice of AGM and e-voting instructions only in electronic mode to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

1. Members who have not registered their email addresses till date are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participants and in respect of shares held in physical form by writing to the Bank's Registrar and Share Transfer Agent (RTA) KFin Technologies Limited, Selenium Tower B, Plot No. 31-32 Gachibowli Financial District, Nanakramguda, Hyderabad – 500032 or by sending an email at einward.ris@kfintech.com along with signed scanned copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy and copy of share certificate.

   An advertisement informing the Members regarding the manner of registration / updation of email addresses was published on July 11, 2025.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Sunday, September 07, 2025 at 9:00A.M. (IST) and ends on Tuesday, September 09, 2025 at 05:00 P.M.(IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date, i.e., September 03, 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Bank as on the cut-off date, being September 03, 2025

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: A ccess to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request

at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to needamohan@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@equitasbank.com
2. In case shares are held in demat mode, please provide DPID-CLIENT ID (16 digit DPID + CLIENT ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@equitasbank.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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Integrated Annual Report
2024-25

Equitas Small Finance Bank

Value Research

NEXT

Where **Every Step**
is a **Leap Forward**

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Investor Information

Market Capitalisation (as on March 31, 2025)	₹ 6,269 Crores
CIN	L65191TN1993PLC025280
BSE Code	543243
NSE Symbol	EQUITASBNK
Bloomberg Code	INE063P01018
AGM Date	September 10, 2025
AGM Venue	Video Conferencing

Disclaimer:
This document contains statements about expected future events and financials of Equitas Small Finance Bank ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Corporate Overview: Except Statutory and Financial sections, the ratio calculation in rest of the sections are based on the Inclusion of IBPC book or Securitisation book, Daily or Monthly average for certain line items.

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About the Report

Reporting Principles

This report has been prepared in accordance with principles of Integrated Reporting as laid out by the International Integrated Reporting Council (IIRC) and Business Responsibility & Sustainability Reporting (BRSR) guidance issued by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations of 2015. The Report aims to provide valuable insights into how the Equitas Small Finance Bank (The Bank) generates value by sharing both financial and non-financial information. In line with the prescribed nine guiding principles for Reporting by the BRSR, the Bank places a strong emphasis on Environmental, Social and Governance (ESG) impacts, risks, and opportunities.

Reporting Period

This report covers the financial and non-financial performance of the Bank from April 01, 2024 to March 31, 2025.

Reporting Boundary

This report comprehensively covers the financial and non-financial information pertaining to the activities and progress of Equitas Small Finance Bank Limited, specifically focussing on the Bank's operations. The Report presents significant details regarding our strategy, business model, operating context, stakeholder interests, performance, prospects, and governance, offering valuable material information.

Responsibility Statement

Our management recognises its responsibility to ensure the accuracy and reliability of the information presented in this report. The Report has undergone a thorough review by our senior management, affirming that it covers all critical material issues concerning the Bank and its stakeholders. Furthermore, the Report has also been reviewed and approved by Those Charged with Governance (TCWG) to ensure the highest standards of accuracy, completeness, and relevance of the information provided.

Forward-looking Statements

This report includes statements that pertain to the future operations and performance of the Bank. It is important to note that actual results may significantly differ from the suggestions made by these statements. This variance can be attributed to various risks associated with our expectations, including but not limited to future circumstances such as technological advancements, changes in banking regulations, and other regulatory shifts in India and other jurisdictions. Additionally, factors such as natural calamities, inflation, deflation, unexpected fluctuations in interest rates, foreign exchange rates, equity prices, or other rates and prices, as well as the overall performance of the financial markets in India and globally, may also impact the outcomes.

How to Navigate?

How to Read this Report?

As you navigate this report, you will find detailed answers to the following key questions:

Where are we headed, and how are we shaping the future?

Where to look?		What will you find?
Message from the Chairman	pg. 06	Insights into leadership vision and priorities
Message from the MD & CEO	pg. 10	Key growth levers driving future performance
Strategic Levers	pg. 40	Digital-first transformation strategy
Digital-First Mode	pg. 46	Long-term focus areas aligned with customer needs and market trends
Management Discussion & Analysis	pg. 126	

What defines our foundation, and how are we building trust?

Where to look?		What will you find?
Who are We?	pg. 16	Overview of our identity and business model
Our Presence	pg. 18	Core strengths and competitive advantages
Strengths	pg. 30	Strong financial performance and discipline
Financial Resilience	pg. 34	Our journey of brand-building and stakeholder trust
Customer Centric Banking	pg.48	

How are we creating value for every stakeholder?

Where to look?		What will you find?
Our Products and Offerings	pg. 22	Lifecycle-based solutions across customer segments
Customer-Centric Banking	pg. 48	Holistic approach to financial inclusion and convenience
Creating Value for All	pg. 50	Platforms and products tailored for evolving needs
Value Creation Model	pg. 52	Integration of customer insight into value creation

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How are we embedding ESG into our business strategy?

Where to look?		What will you find?
Message from the Chairman	pg. 06	Our sustainability framework and priorities
Message from the MD & CEO	pg. 10	Governance structure and accountability
ESG	pg. 54	Recognition of impact and excellence
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Business Responsibility & Sustainability Report	pg. 68	

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BANK
Bringing seamless banking closer to you!
Equitas 2.0
Fast
Smooth
Light
equitas
PLATINUM
VISA

NEXT

Where **Every Step** is a **Leap Forward**

Equitas is at a defining juncture in its journey, one marked by ambition, diversification, and forward momentum. Anchored in its philosophy of Beyond Banking and guided by the principles of stability, sustainability, and scalability, the Bank is laying a solid foundation for long-term progress. As it steps into its next chapter, the journey ahead is anchored in strengthening customer stickiness, progressing towards a universal banking license, and enhancing institutional resilience.

This transformation reflects a deliberate expansion of the Bank's portfolio aligning with changing customer expectations and emerging market trends. By diversifying and securing its approach, the Bank is enhancing its resilience and adaptability to withstand market cycles in a dynamic environment. This strategic shift showcases the Bank's ability to respond effectively to evolving customer needs and dynamic market conditions. Liability 2.0 marks a new chapter in the Bank's approach to building liabilities, focussing on efficiency, balance, and stronger customer relationships. The Bank is building a diversified and agile funding base that supports long-term stability. This shift reflects a broader mindset where liabilities are not just a means to fund growth, but a strategic tool to enhance resilience and competitiveness.

Technology and innovation remain central to this transformation. By leveraging digital platforms and ecosystem-driven solutions, the Bank is streamlining processes and enriching the customer journeys. From simplified onboarding to tailored services, these advancements are driving a more accessible, agile, and future-ready banking experience.

Each of these strategic elements are a part of a cohesive vision. Together, they reflect what NEXT truly means for Equitas: a readiness to embrace change, a commitment to long-term impact, and a belief that every move forward should push boundaries. In this phase, growth is not just about scale, but about the depth of transformation.

Every step is a leap forward, towards being a Bank that is not only larger, but also smarter, stronger, and more inclusive.

Message from the Chairman

> RBI's calibrated interventions such as tightening norms around unsecured credit, digital lending, and enabling UPI-linked credit frameworks, highlighted both the underlying risks of overleveraging and flow-based lending, and the potential to course-correct early.

Value Research

Dear Shareholders,

In many ways, this year marked a thoughtful continuation of the journey we outlined last year, to become stable, sustainable and scalable bank. Every strategic move we made this year, whether it was rebalancing our portfolio, enhancing our digital foundations, or evolving how we engage with customers, was part of a calibrated shift. The transition from **Now to Next** that began last year laid the foundation for this shift. This year, **Next** builds on that momentum, each step is now a purposeful stride towards transformation, deeper impact, and long-term value.

Global Macroeconomic Perspective

In 2024, the global economy expanded at a moderate pace of 3.3% amid persistent geopolitical tensions, macroeconomic developments and supply chain disruptions. However, growth trajectories across regions remained uneven. In the United States, the economy grew at 2.5% in CY 2024 and growth for CY 2025 is projected at 1.2%, tempered by elevated inflation and rising input costs that are impacting both consumption and manufacturing sentiment. The Euro grew at 1.2% in CY 2024 and continues to face economic fragility, with growth expectations

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While many economies grappled with uncertainty, India stood apart, offering a rare blend of macroeconomic stability and continued forward momentum. This created a favourable environment for a Bank like ours to continue building on our strengths.

revised downward to 0.7% in CY 2025, driven by muted demand and ongoing uncertainty around prices, geopolitical tensions and energy supply. In Japan, growth is expected to reach (0.4)% in CY 2025, down from 1.0% last year, as weak external demand and tighter financial conditions weigh on the economy. Meanwhile, China's growth is expected to moderate at 3.2% in CY 2025 from 5.4% last year, shaped by internal structural adjustments, weak global demand, and rising deflationary pressures. Despite these headwinds, multilateral efforts focussed on debt resolution, energy security, and supply chain diversification are expected to lay the foundation for a more resilient, balanced, and inclusive global growth environment over the medium term.

India's Steady Ascent: A Beacon of Stability and Growth

While many economies grappled with uncertainty, India stood apart, offering a rare blend of macroeconomic stability and continued forward momentum. This created a favourable environment for a bank like ours to continue building on our strengths. Real GDP, as per provisional estimates, expanded provisionally by 6.5% during 2024-25, driven by resilient domestic consumption patterns, a visible recovery in rural demand, infrastructure-led industrial expansion, and continued strength in digital services. The financial system reflected this vibrancy. Asset quality across the banking system improved notably, with GNPA ratios falling to a decade-low of 2.3% in 2024-25. Credit growth during the year stood at 11.5%, supported by sustained traction in retail, MSME, and vehicle financing segments, areas incidentally where we continue to remain deeply focussed.

For small finance banks (SFBs), 2024-25 was a period of strategic recalibration. Credit growth moderated to 18-20%, and RoA softened to 1.4-1.6%, largely owing to emerging stress in the microfinance segment. RBI's calibrated interventions such as tightening norms around unsecured credit, digital lending, and enabling UPI-linked credit frameworks, highlighted both the underlying risks of overleveraging and flow-based lending, and the potential to course-correct early. These measures were both preventive and directional, guiding the sector toward greater balance, stronger governance, and more responsible inclusion.

Strategic Shift to Secured and Diversified Lending

At Equitas, we entered this phase of transition with readiness. Our shift towards a secured and diversified portfolio had been underway for several years, and in 2024-25, that foresight proved essential. While elevated credit costs in the microfinance segment did majorly impact profitability, we responded early, tightening internal lending norms in alignment with evolving regulatory guidance, and proactively winding down our exposure by lending more selectively. Credit cards and personal loans were launched to strengthen customer engagement and expand wallet share by leveraging existing relationships. Our anchor offering, Small Business Loans, grew by 25% and now makes up 43% of total advances. In vehicle finance, used CV loans grew 24%, and used car loans rose 53%, even as we continued to reduce our exposure to the new CVs. Affordable Housing and MSE finance also expanded steadily and are expected to play a stronger role in driving profitability in 2025-26. Secured portion of total advances now stands at around 88% compared with 82% last year.

Year of Consolidation and Recaliberation

During 2024-25, gross advances grew by 11% to ₹ 37,986 crores, driven by strong performance in diversified segments. On the liabilities front, total deposits crossed ₹ 43,000 crores, growing 19% year-on-year. The PAT for 2024-25 stood at ₹ 147 Crores with RoA at 0.30%, weighed down by the dual effect of higher credit cost and reduced income. The Bank continued to remain adequately capitalised with CRAR standing at 20.60% as against the regulatory requirement of 15%. With upfront provisioning and higher Provision Coverage Ratio, we view this as a transition year that sets the stage for sustainable profitability anchored in balance sheet quality and secured asset growth.

Digital Acceleration

On the digital front, our transformation journey gathered pace. We launched Equitas 2.0, our upgraded, cloud-native internet and mobile banking platform. We also brought our UPI infrastructure in-house, enhancing control, efficiency, and scalability. Our new CRM system is now streamlining customer journeys, enabling sharper lead conversions and more responsive service delivery. Meanwhile, our Selfe Loans App continued to serve as a strong digital acquisition engine, enabling disbursals of over ₹ 1,250 Crores, particularly in Tier 2 and 3 markets where physical presence remains limited.

₹ 1,250 Crore
Disbursements enabled through Selfe Loan App

Our Social Commitment

The increased diversity of our products, inherent scalability of our platforms, improved operating efficiencies and our focus on building a resilient business model gives us the confidence to look beyond business outcomes. At Equitas, we do not see financial success and social responsibility as two separate pursuits. They are deeply intertwined. Purpose has always been our compass. Our purpose has never been confined to expanding access to finance; it has always included enabling meaningful social progress. In 2024-25, this commitment continued across multiple dimensions: in healthcare, education, livelihoods, and rehabilitation centred on dignity.

₹ 43,107 Crore
Total Deposits at 19% Growth y-o-y

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The Sringeri Sarada Equitas Cancer and Multi-Speciality Hospital, inaugurated last year, is now fully operational, delivering affordable, high-quality healthcare to thousands of underserved patients. Our Equitas Gurukul schools continue to nurture nearly 7,500+ children, imparting both academic rigour and character education. Through our livelihood programmes, over 37,000 women were equipped with income-generating skills, and more than 40,000 youth were supported through placement-linked job fairs. Our flagship Birds Nest initiative, now reaching over 6,100 families since inception, continues to stand out as a distinctive model of transitional rehabilitation, providing housing and economic support to pavement dwellers, with dignity at its centre.

The NEXT Phase of Equitas

As we step into the NEXT phase of our journey, our definition of success remains unchanged. It extends beyond financial performance to the depth of impact, resilience of our model, and the lives we touch. We remain committed to building an institution where discipline and conscience co-exist; where growth aligns with inclusion; and where every step forward, however small, is a step taken together.

The Sringeri Sarada Equitas Cancer and Multi-Speciality Hospital, inaugurated last year, is now fully operational, delivering affordable, high-quality healthcare to thousands of underserved patients

Before I close, I wish to express my sincere appreciation to all those who continue to shape and strengthen our journey. To our customers whose aspirations fuel our purpose; to our employees whose dedication remains our greatest asset; to our shareholders and investors for their enduring belief in our long-term value; to regulators and policymakers for guiding the sector with foresight, and to the communities we serve - whose trust and resilience remain our anchor.

In every decision we make and every milestone we pursue, we are reminded that progress is not measured only by numbers. It is measured by the difference we make, together.

Regards,

Anil Kumar Sharma
Part-time Chairman and
Non-Executive Independent Director

Message from the MD & CEO

> The year 2024-25 was one of the most challenging years Equitas has ever faced in its 18 years of existence.

Value Research

Dear Shareholders,

The year 2024-25 was a period of formidable challenges and strategic recalibration. As we navigated a volatile operating environment, our focus remained on protecting the core, supporting our customers, and investing in the future.

Navigating a Difficult Operating Environment

The year 2024-25 was one of the most challenging years Equitas has ever faced in its 18 years of existence.

In 2007, Equitas started as an NBFC-MFI. However given the various types of crisis which had been plaguing the MFI industry over these years, the Bank took a call way back in 2011 to diversify to other forms of lending, secured in nature.

The microfinance sector (MFI) faced significant disruption during the year. The rather strong 25% plus growth, the MFI industry witnessed during 2023-24, coupled with the rapid proliferation of new-age lenders offering unsecured credit to vulnerable segments through mobile apps with negligible credit assessment led to over-leveraging and a deterioration in credit behaviour. What started as a small quality blip in the 1st quarter of 2024-25, soon cascaded to a full-scale crisis with the industry experiencing NPAs in the range of about 10% against the normal levels of around 2-3%.

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Affordable Housing finance maintained high quality portfolio and advances in this segment grew by 20% for the 2024-25 and contributed 9% to total advances. Being a new product introduced recently, this segment remained in the red for the Bank in 2024-25.

Adding to these factors, were additional factors such as Karnataka passing an Ordinance in February 2025 to curb coercive recovery practices and Tamil Nadu following suit with a similar Ordinance in May 2025. Even though these legislations do not apply to banks, yet such events led to further deterioration of the credit culture in these States.

The Bank has been taking a prudent approach of reducing the percentage of contribution of MFI to the total advances of the Bank. When we became a Bank in 2016, MFI contributed 54% to the total advances and as of June 2025, MFI contributed 10% to the advances. As the Bank grows its other lending products, we expect the contribution of MFI to trend further down.

Our Small Business Loans, extended to small enterprises and shops secured against house property, continue to do well and contribute nearly 43% to our advances. There is a fear of the stress in the unsecured micro finance sector spilling over into the secured low-ticket loans against property and the Bank is putting in both short-term tactical and medium to long-term strategies in place to ensure high quality of portfolio in this segment and driving growth.

In Commercial vehicle financing, our portfolio of Used Commercial vehicle and Used Car financing continue to perform well and have been growing at a healthy pace. The new commercial vehicle market has been showing stress in terms of repayment, largely owing to the increase in cost of vehicles and the corresponding increase in the EMI payable without the freight rates moving upwards in tandem. The Bank is cautious in lending for purchase of new commercial vehicles, while the used commercial vehicle and cars would continue to remain the focus for growth.

Affordable Housing finance maintained high quality portfolio and advances in this segment grew by 20% for the 2024-25 and contributed 9% to total advances. Being a new product introduced recently, this segment remained in the red for the Bank in 2024-25. They have turned profitable in the 1st quarter of 2025-26 and expected to build on it going forward.

On the liabilities front, total deposits crossed ₹ 43,000 Crores, growing 19% year-on-year, with retail deposits comprising 72% and CASA remaining steady at 29%. We continued executing our Liability 2.0 strategy, focussing on digital expansion, Family Banking, and differentiated offerings such as FCNR deposits for NRIs. During the year, the cost of funds moved up to 7.5% from 7.26% during the previous year, in line with the increase in the Repo rate by RBI and the tight liquidity that prevailed during most parts of 2024-25.

Treasury continued its steady performance, posting strong revenues from both trading in debt and equity securities.

In terms of financial performance, the Bank recorded a total income of ₹ 7,223 Crores, marking a 15% year-on-year growth. Net Interest Income stood at ₹ 3,252 Crores, while Other Income contributed ₹ 911 Crores. Our Net Interest Margins (NIM) were at 7.51% for the year, reflecting pressure from a contracting microfinance book, slower credit growth, and elevated policy rates that kept the cost of funds high. We made a floating provision of ₹ 180 Crores to strengthen our balance sheet. The cost-to-income ratio stood at approximately 68%, impacted by constrained income growth due to slower advances. The profits of the Bank were affected due to the above factors leading to Profit After Tax of ₹ 147 Crores, with Return on Assets (RoA) at 0.30% and Return on Equity (RoE) at 2.45%.

Gross Advances grew by 11% to ₹ 37,986 Crores, driven by strong performance in diversified segments. Small Business Loans grew 25% year-on-year, Used Commercial Vehicles by 24%, Used Cars by 53%, and

MSE Finance by 41%. However, the Microfinance portfolio contracted by 28%, reflecting sector-wide stress.

Capital Adequacy

The Bank closed the year with a robust capital adequacy position- CRAR at 20.60% and Tier I Capital at 17.84% providing a strong buffer to support growth. Additionally, we successfully completed our first-Tier II bond issuance of ₹ 500 Crores in December 2024 out of the total approved limit of ₹ 1,000 Crores, further diversifying our funding sources and reinforcing our capital strength.

The remaining amount of ₹ 500 Crores Tier II Bond issue was completed on July 2025. Further the Bank took shareholders' approval for raising an additional ₹ 1,250 Crores of equity capital. Presently the Bank is well capitalised and would use this approval at an appropriate time, which would be in the best interest of existing shareholders.

Shaping What Comes Next

The MFI sector stress looks like it's abating by the second half of the current year. The first half of current year would still see stress on the bottom line of the Bank. We expect to improve the profitability of the Bank towards the end of the current year.

With strong focus on secured lending, constituting about 90% of total advances as of June 2025, we expect to overcome these short-term challenges and build a robust portfolio which can generate sustainable returns for all stakeholders over the long run.

Despite these headwinds, the transformation toward our 'NEXT' ambition – becoming a mass retail bank – continued this year through Liability 2.0 strategy and new product launches.

Our new Equitas 2.0 Mobile Banking App, launched in January 2025, integrates acquisition, engagement, and servicing into a unified interface. We sharpened our outreach to salaried professionals, NRI clients, and younger digital cohorts, in addition to deepening family-level engagements. By anchoring our value proposition across life stages, we are driving retention, stickiness, and a differentiated experience.

We also continued broadening our product suite. Our credit cards, launched in the later part of 2024-25 target three cohorts: value seekers, emerging affluent, and digitally native users. Personal loans were introduced for existing customers through seamless, low-friction journeys. FCNR deposits, launched in May 2025, further strengthened our NRI offering. Collectively, these products reflect our pivots from transactional touchpoints to lifecycle-led engagement. Our aim is to become an integral part of customer journeys, not just during moments of financial need, but across their broader financial evolution.

Despite these headwinds, the transformation toward our 'NEXT' ambition – becoming a mass retail bank - continued this year through Liability 2.0 strategy and new product launches.

A Strong Foundation in ESG and Governance

Responsible growth is a foundational value at Equitas. In 2024-25, we formalised our ESG policy under Board oversight, with a clear focus on six key areas such as Emissions, Green Financing, Operations, Inclusion, Development and Community.

Socially, we continued to build on our legacy platforms. The Sringeri Sarada Equitas Cancer and Multi-Specialty Hospital, inaugurated in 2023-24, is now fully operational. Our Birds Nest programme has enabled over 6,000 families to transition from living on pavements to permanent housing, reinforcing our commitment to dignity-first rehabilitation. The 8 schools under the aegis of Equitas Gurukul Schools continue to educate over 7,500 children from low-income backgrounds. Additionally, our livelihood training programmes impacted over 75,000 individuals this year through skill-building and placement support.

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Governance remains a core principle. Our philosophy to favour regulatory alignment over short-term gain and to act at the centre rather than the edge of regulations, has guided every material decision. We believe long-term sustainability is rooted in prudent risk management, proactive compliance, and a culture of institutional transparency.

Looking Ahead

We continue to invest in practices that foster strong corporate governance, ensuring transparency, accountability, and ethical conduct across all levels of the organisation. Our governance framework is designed to support sustainable growth while safeguarding stakeholder interests. In parallel, we remain deeply committed to societal development through our Beyond Banking initiatives, which focus on financial inclusion, financial literacy, livelihood support, healthcare, and education. These efforts reflect our belief that banking should go beyond transactions and play a transformative role in the communities we serve.

We are entering 2025–26 with cautious optimism. While being conscious of the bottom-line being under stress for the first half of the current financial year, our focus remains on strengthening our core businesses, deepening customer relationships, and driving operational efficiency. With a strong capital base, a diversified portfolio, and a clear strategic roadmap, we are well-positioned to navigate uncertainty and capture long-term opportunities.

11% Growth
In Gross Advances

25% Growth
Small Business Loans

Thank you for your continued trust and support.

Warm regards,

P. N. Vasudevan
Managing Director and
Chief Executive Officer

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BUILDING STRONG FOUNDATIONS

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At Equitas, we believe that the strength of any institution lies beneath the surface – in the values it upholds, the choices it makes, and the impact it creates.

Over the years, we have been building a strong foundation – not just for our business, but for the people and communities we serve. This foundation reflects our intent to be a Bank that is trusted, balanced, and built to last.

Building **Trust.**

Building **Capability.**

Building **Resilience.**

Building **Strong Foundations.**

We have laid this foundation through:

A clear and consistent philosophy anchored in our **3S framework** of **Stability, Sustainability, and Scalability**

A mission that blends **financial inclusion with social responsibility**, showing that banking can empower as well as perform

A shift towards a **diversified and secured lending model**, with a strong and growing **retail deposit base** that fuels stability

A footprint that spans **across states and union territories**, complemented by an NRI customer base across countries, reflecting our expanding reach

A **comprehensive product suite** that addresses real-world needs, from small businesses to salaried professionals, from urban families to rural entrepreneurs

Together, these pillars form the structural base of Equitas, enabling progress, ensuring resilience, and positioning the Bank for long-term value creation.

Because the stronger the foundation,

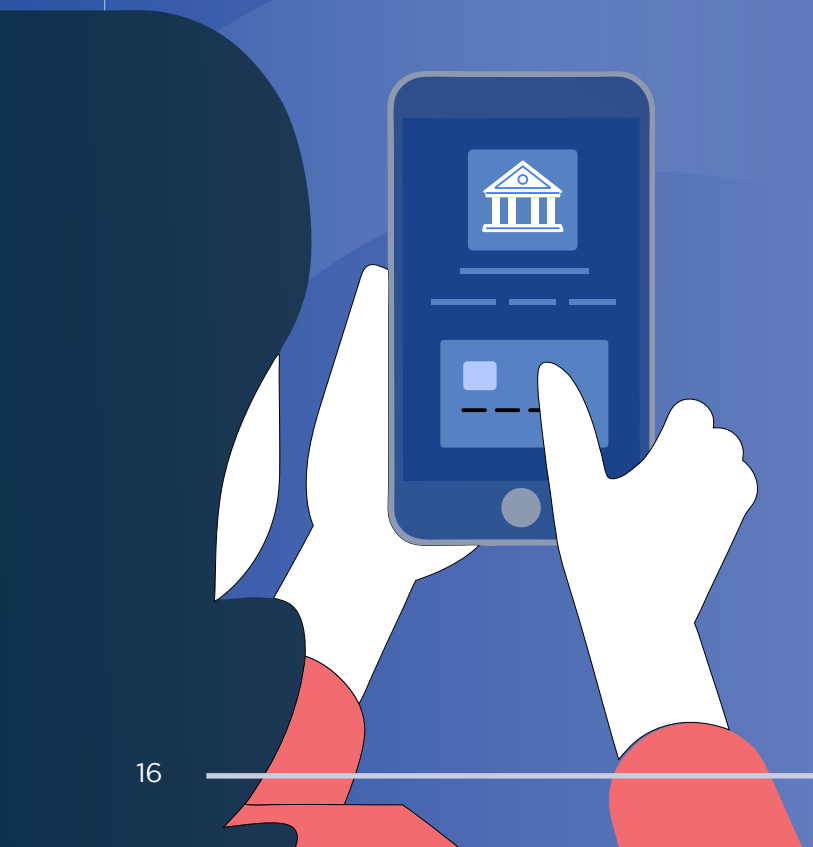
the higher we can rise.

Who are We?

Built for Inclusion. Powered by Trust.

At Equitas Small Finance Bank ('Equitas', 'the Bank', 'the Company', or 'We'), we are committed to creating a more inclusive banking ecosystem, one that serves not just the affluent but also the millions who have historically been excluded from formal financial services. As one of India's leading Small Finance Banks, our mission is to bridge the gap by delivering meaningful financial solutions to the unserved and underserved, while also catering to the needs of the mass affluent, SMEs, and corporates.

Our comprehensive offerings span small business and vehicle loans, affordable housing finance, working capital loans, microfinance, savings and deposit products, insurance, mutual funds, and other digital banking solutions. Backed by a growing base of granular deposits and guided by the principles of trust, fairness, and transparency, we empower our customers while giving our savers the satisfaction of knowing their savings fuels meaningful change. With a digital-first mindset and expanding physical reach, we are reshaping how banking is experienced—simple, secure, and impactful. The Bank has made significant progress in on boarding customers digitally through investments in technology. More than a bank, we are a driver of financial inclusion and social progress, building long-term value through responsible governance, disciplined risk management, and a steadfast focus on sustainable growth.



Value Research

Mission

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

Values

- Customer first
- Pride of performance
- Fair and transparent
- Ownership
- Respect for people

Our Guiding Philosophy

Our name reflects our core belief – **fairness and transparency** in all that we do. From our origins as a microfinance institution to our current stature as a well-diversified Small Finance Bank, our journey has been defined by the dual pursuit of **business excellence and social responsibility**. This balance is captured through two guiding philosophies that drive our purpose and performance.

Our CSR Philosophy

Equitas transcends traditional banking by embedding a profound social purpose that harmonises commercial success with societal transformation. Our CSR philosophy, executed through the Equitas Development Initiative Trust (EDIT) and Equitas Healthcare Foundation, focusses on uplifting communities through interventions in education, healthcare, skill development, livelihood generation, and social inclusion.

With Equitas Gurukul School and Sringeri Saradha Equitas Cancer Hospital, we have kept our focus towards sustainable infrastructure that uplifts underprivileged communities. Our comprehensive approach extends beyond financial services, focussing on improving household income, reducing expenditure, and enhancing quality of life. By balancing shareholder returns with social impact, we are reimagining banking as a powerful catalyst for inclusive growth and meaningful societal progress.

The 3S Philosophy: **Stability. Sustainability. Scalability.**

At Equitas, our 3S business philosophy – **Stability, Sustainability,** and **Scalability** – forms the backbone of our strategic direction and operational integrity.

Stability

We maintain a diversified and largely secured lending portfolio backed by a strong retail deposit base and 994+ banking outlets. This insulates us from economic shocks and ensures consistent performance.

Sustainability

We focus on long-term risk management and responsible growth by entering only those markets and products aligned with our governance and compliance standards, prioritising quality over aggressive expansion.

Scalability

We pursue growth in segments which has meaningful headroom for growth and addresses the growing population of the country. Together, these three pillars position Equitas as a future-ready, inclusive, and resilient financial institution.

Our Presence

Our Expanding Reach

Reach at Equitas is defined by our ability to connect with diverse customer segments across geographies, income levels, and service needs. It is the combined outcome of our physical presence, digital capabilities, and community engagement efforts, all working in tandem to deliver inclusive financial solutions at scale.

Our branch network, strategically spread across regions, continues to be a critical enabler of access and trust, especially in semi-urban and rural areas. Alongside, our digital platforms – including mobile banking and assisted digital channels – extend our services to customers who prefer convenience, speed, and remote access.

State	Advances (%)	Deposits (%)
Andhra Pradesh	5	3
Chandigarh	-	2
Chhattisgarh	1	2
Delhi	2	8
Gujarat	4	6
Haryana	2	4
Himachal Pradesh	0.1	-
Karnataka	13	8
Kerala	0.4	2
Madhya Pradesh	3	4
Maharashtra	15	16
Punjab	1	7
Rajasthan	4	6
Tamil Nadu & Pondicherry	46	27
Telangana	3	3
Uttar Pradesh	1	2
Uttarakhand	-	0.4

Value Research

18 States and UTs

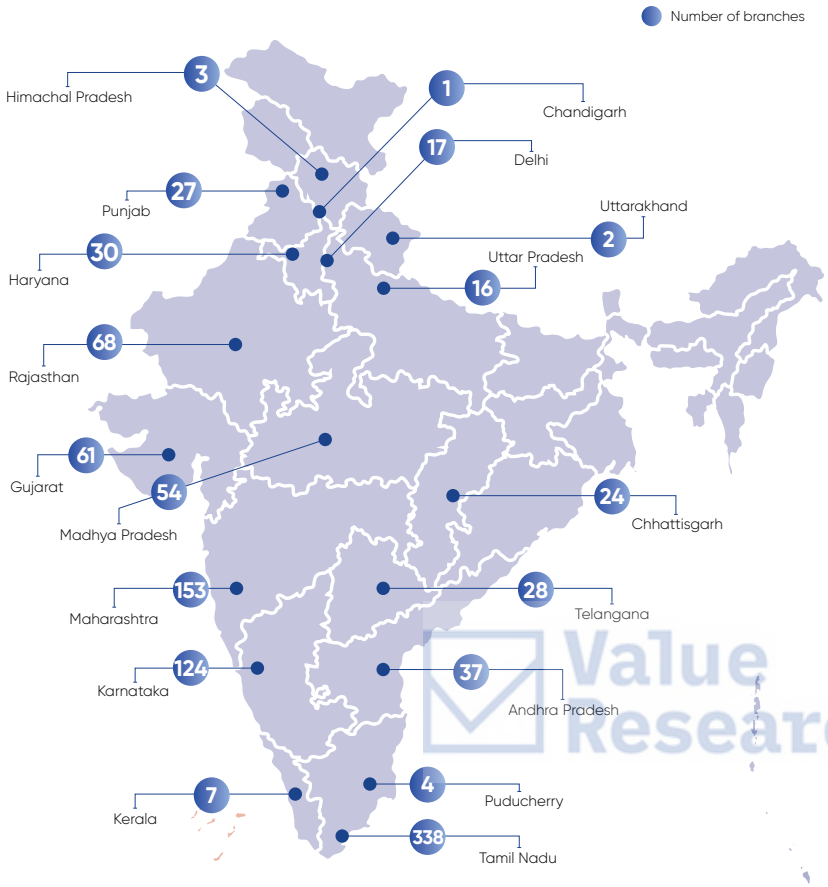
01 Corporate Office

994 Banking Outlets

375 ATMs*

*Including 371 onsite and 4 offsite ATMs

VALUE RESEARCH PREMIUM



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

Empowering Rural India through Last-Mile Financial Inclusion

At Equitas Small Finance Bank (ESFB), financial inclusion is a core mission focussed on expanding access to formal banking in underserved areas. Large sections of rural India continue to face limited access to basic financial services due to the absence of traditional bank branches. We address this gap by delivering banking services directly to these communities.

Through our Unbanked Rural Centres (URCs) and a network of trained Business Correspondents (BCs), we provide essential services such as savings, deposits, withdrawals, and credit. These micro-ATM-enabled centres, fully integrated with the Core Banking platform, act as trusted service points that support financial empowerment and community progress.

Key Highlights

3.5+ Lakh Cash Transactions facilitated for other bank customers in 2024–25

100% BC Agents IIBF-Certified and trained in safe digital banking practices

16 New Rural Banking Outlets added during 2024–25

336 Unbanked Rural Centres across Tamil Nadu and Maharashtra

336 Business Correspondent Agents, with over 60% being women

₹17.5 Crore in Loan Disbursements to 400+ rural customers in FY 2024-25

336 rural catchments actively monitored by ESFB's district-level teams

equitas
Equitas Small Finance Bank

How Far Have We Come?

The Equitas Evolution

Our journey has been marked by continuous innovation, steady growth, and a deepening commitment to serve diverse customer segments. Each milestone reflects our evolving capabilities and vision to build a strong, inclusive, and future-ready financial institution.

Value Research

2007
Launched microfinance lending to the underbanked

2011
Launched vehicle finance and housing finance

2013
Launched Small Business Loans

2016
Commenced operations as SFB post receipt of final approval from RBI

2017
Reported a Net Profit of more than ₹ 1 billion

2018
- Commenced MSE financing product
- Introduced Digital Savings Account - Selfe
- Crossed ₹ 100 billion in Gross Advances
- Partnered with IPL for the first time in IPL 2018 to build the brand

2019
Exceeded ₹ 100 billion in total deposits

2020
Completed the IPO and successful listing of Equitas Small Finance Bank

Value Research

2021

- Balance Sheet size exceeded ₹ 240 billion
- Introduced Used Car loans

2022

- Gross advances exceeded ₹ 205 billion
- Acquired 23 lacs liability accounts; Highest ever CASA Ratio at 52.01%
- Successfully raised ₹ 550 Crores via the QIP route
- Navigated pandemic successfully, Credit cost for 2021-22 at 2.60%

2023

- Pioneered Merchant Overdraft loans for small borrowers
- Reverse merger between Equitas Holdings Limited and Equitas Small Finance Bank
- Networth crossed ₹ 50 billion
- Dividend declared for the first time - ₹ 1 per share

2024

- Obtained AD1 License
- New car loans introduced
- 'Selfe Loans' – A customer mobile App for borrowers launched

2025

- Credit card & personal loans launched
- Balance sheet Size crossed ₹ 500 billion

Product Portfolio

Scaling with Purpose, Diversifying with Precision

Our product strategy is anchored in a clear ambition of becoming a mass retail Bank that offers relevant, responsible, and digitally enabled financial solutions to a wide spectrum of customers. From small entrepreneurs and business owners to digitally savvy professionals and aspiring middle-income families, our portfolio is designed to serve a diverse customer base across urban, semi-urban, and rural India.

During 2024-25, we accelerated our journey by scaling up key secured lending products such as Small Business Loans, Vehicle Finance, and Housing Loans, while prudently managing our exposure to Microfinance in light of evolving sectoral dynamics. On the liability side, we continued to build a granular, low-cost deposit base through a segment-focussed, tech-driven approach, complemented by differentiated offerings for Elite and NRI customers. Simultaneously, we deepened our footprint in third-party product distribution, enabling a broader and more holistic financial services experience for our customers.

Our ability to seamlessly integrate digital platforms, branch-led expansion, and product innovation has allowed us to stay agile and relevant across customer profiles. Every offering in our portfolio is designed not only to meet present-day needs but also to anticipate and serve the evolving aspirations of our customers, positioning Equitas as a Bank ready for the NEXT.

VALUE RESEARCH PREMIUM

Our Asset Portfolio

Our asset portfolio is strategically diversified to address the evolving credit needs of a wide spectrum of customers across India's informal and formal sectors. Through products such as Small Business Loans, Vehicle Finance, Housing Finance, MSE Finance, and NBFC lending, we aim to strike the right balance between inclusivity and Sustainability. Over the years, we have consciously reduced our reliance on unsecured lending and shifted towards secured, high-yield products, significantly lowering the share of unsecured advances and enhancing overall portfolio mix. By leveraging cross-sell opportunities, empowering our branch network, and continuously enhancing customer journeys through technology, we are building a stable, scalable, and customer-focussed lending franchise.

Small Business Loans (SBL)

Small Business Loans a 100% secured portfolio continue to be the largest and most strategic component of our asset portfolio, accounting for a substantial share of our advances. These loans are designed to support India's informal and emerging business class, transforming need-based borrowers into credit-empowered entrepreneurs. With a sharp focus on profitability, credit quality, and digital enablement, we are set to further scale this segment in 2025-26.

Value Research

Key Highlights

- Grew by 25% year-on-year in 2024-25, reinforcing its position as our flagship product and largest contributor to the overall advances portfolio.
- Maintained strong asset quality through the year, with GNPA at 2.54% and a low credit cost of 0.3%, reflecting the segment's resilience and our expertise.
- Sourced over ₹ 1,247 Crores of loans digitally through the Selfe Loans mobile app, positioning it as a key customer acquisition and engagement platform.

16,383
Gross Advances (In ₹ Crore)

6,293
Disbursements (In ₹ Crore)

2.54
GNPA (%)

25%
YOY Growth (In %)

₹ 7.45 Lakhs
ATS at Disbursement

16.62%
Yield (In %)

25.97%
PCR

Vehicle Finance

Our vehicle finance offering is designed to empower first-generation entrepreneurs entering the commercial transportation ecosystem. By enabling skilled drivers to become self-reliant vehicle owners, we help them transition into business operators and uplift their economic status. Drawing on our strong foundation in commercial vehicle lending, we have also expanded into **used car financing**, recognising the demand for affordable mobility and ownership in this segment.

Key Highlights

- **Recorded 14% year-on-year growth** in the overall vehicle finance portfolio in 2024-25, driven by focussed expansion in Used CV and Used Car segments.
- Achieved strong momentum in the **Used Car segment**, which grew by 53% in 2024-25, while the Used Commercial Vehicle segment expanded by 24% during the same period, reflecting rising demand for cost-effective vehicle ownership.
- Continued to **focus on small and light commercial vehicles**, aligning with our Strategic goals.

9,456
Gross Advances (In ₹ Crore)

5,379
Disbursements (In ₹ Crore)

2.34%
GNPA (%)

14%
YOY Growth (In %)

₹ 5.83 Lakhs
ATS at Disbursement

15.58%
Yield (In %)

55.23%
PCR

Value Research

VALUE RESEARCH PREMIUM

MSE Finance

Our MSE Finance business is focussed on supporting the aspirations of micro and small enterprises by providing structured, secured credit. These customers are typically beyond the scope of traditional underwriting models and require a relationship-driven approach that enables formalisation, growth, and better financial outcomes.

Key Highlights

- Achieved a 41% year-on-year growth in the MSE book in 2024-25, marking it as one of the fastest-growing segments within our asset portfolio.
- Leveraged customer relationships to cross-sell business accounts, merchant solutions, and overdrafts, improving product penetration and stickiness.
- Enabled segment-specific customisation of loan products and pricing, allowing flexibility to cater to the diverse working capital and capex needs of small businesses.

1,689
Gross Advances (In ₹ Crore)

746
Disbursements (In ₹ Crore)

7.01%
GNPA (%)

41%
YOY Growth (In %)

Value Research

₹ 89.77 Lakhs
ATS at Disbursement

9.87%
Yield (In %)

56.56%
PCR

NBFC Financing

Our NBFC Financing portfolio is selectively built to provide term loans and working capital to well-rated non-banking financial institutions serving retail credit needs.

Housing Finance

Our Housing Finance portfolio caters to the affordable housing needs of low- and middle-income households, with a focus on self-employed individuals in the informal sector. These loans help families access formal housing finance for own-construction or purchase of affordable dwellings.

Key Highlights

- Delivered **14% year-on-year growth** in the housing loan portfolio in 2024-25, supported by increased demand in semi-urban and rural areas
- Maintained a prudent approach to credit risk, with **GNPAs remaining within acceptable thresholds**, consistent with the segment's profile
- Targeted predominantly **self-employed, first-time home buyers**, offering credit for plot purchase, construction, and home improvement

Value Research

4,769
Gross Advances (In ₹ Crore)

1,483
Disbursements (In ₹ Crore)

1.38%
GNPA (%)

14%
YOY Growth (In %)

₹ 10.69 Lakhs
ATS at Disbursement

27.92%
PCR

11.22 %
Yield (In %)

Microfinance & Micro Loans

We have taken a calibrated approach to microfinance portfolio, consciously reducing our exposure as asset quality worsened.

- Contribution of MFI to overall advances dropped to **12%**, in line with our strategy to derisk from volatility-prone unsecured lending
- Reduced MFI book by **28% year-on-year**, bringing it down to ₹ **4,527 Crores** by March 2025
- Proactively aligned to the MFIN guardrails to ensure benefit the industry in the long run. Implemented it on January 2025 whereas the industry requirement was from April 2025 only.

4,527
Gross Advances (In ₹ Crore)

3,484
Disbursements (In ₹ Crore)

5.24%
GNPA (%)

-28%
YOY Growth (In %)

₹ 0.57 Lakhs
ATS at Disbursement

22.07%
Yield (In %)

87.27%
PCR

Value Research

Liabilities

We cater to mass and mass-affluent customers through a combination of physical and digital channels, offering differentiated savings, current accounts, and retail deposit products that position us as a strong alternative to traditional regional banks. Our strategy focusses on expanding the retail deposit base through technology-led, customer-centric offerings that drive long-term loyalty, reduce cost of funds, and create cross-sell opportunities. By continuously enhancing our digital interfaces and product innovation, we aim to build a resilient and scalable liability franchise that supports the Bank's long-term growth objectives.

Key Highlights

- Total deposits grew ~19% YoY in 2024-25, with retail deposits forming 72% of the mix as of March 2025.
- Liquidity remained robust, with the LCR at 200.69% and the credit-deposit ratio at 85.65%, ensuring balance sheet strength.
- The 888-day product, contributing 43% of the RTD book, was instrumental in customer acquisition and cost control.
- RTDs serve as a cross-sell anchor for CASA, investment products, and insurance, increasing customer lifetime value.
- CA balances grew 36% YoY in 2024-25, driven by deeper engagement with merchants and MSMEs across retail and SME ecosystems.
- SA cost declined to ~6.03% from 6.17% in 2023-24 contributing to overall cost of funds optimisation and improving liability profile quality.

Value Research

Elite Banking

Our Elite Banking vertical targets the upper middle-income to HNI segment with tailored wealth, investment, and relationship offerings. This business is emerging as a high-potential growth engine, combining asset and liability opportunities under a unified wealth platform.

NRI Banking

Our NRI Banking business has rapidly evolved into a differentiated proposition focussed on convenience, compliance, and international reach. With the AD-I license in place, we are scaling offerings to cater to the global Indian diaspora through end-to-end digital platforms.

- Built a **book of ₹ 2,349 Crores** from NRI customers across **140+** countries, validating the growing trust in our proposition.

VALUE RESEARCH PREMIUM

Third-Party Products

We offer a comprehensive range of investment and insurance products through strategic partnerships with leading asset management and insurance companies, catering to the growing needs of savers and emerging investors. Our platform enables customers to access mutual funds, SIPs, insurance, and Demat services through both assisted and self-service models, integrated seamlessly into our mobile and internet banking channels. This approach not only enhances customer convenience and financial inclusion but also strengthens our fee income streams and deepens client engagement.

Fee income from third-party product distribution stood at ₹ 97 Crores.

Insurance

- Retail life insurance premium grew by 12% year-on-year, reflecting improved penetration and customer engagement.
- General insurance premium increased by 21% over the previous year.
- 13th-month persistency in total retail insurance stood at a robust 79%, indicating sustained customer retention and satisfaction.
- ₹ 517 Crores total premium mobilised in 2024-25

Mutual Funds

- Total mutual fund AUM surpassed ₹ 500 Crores, marking a strong 32% year-on-year growth.
- Registered 20,000 new SIPs during the year, taking the total active SIP base to 35,000.
- Our digital Mutual Fund platform, ENVEST, continues to be a key enabler of customer acquisition and transaction efficiency.
- Integrated with Internet and Mobile Banking, ENVEST has over 42,340 registered users, offering a seamless, self-service investment experience.

Other Offerings

- Portfolio Management Services (PMS) and Alternative Investment Funds (AIF) recorded a 32% growth in AUM over the previous year.
- Added 6,000 new broking accounts, taking the total to 86,000 accounts.
- Facilitated 15,000 new ASBA registrations, reflecting growing investment participation.
- Enabled 6,10,048 IPO applications with a total application value of over ` 20,192 Crores, supported by strong retail interest and a buoyant IPO market.

Strengths

What Differentiates Us?

At Equitas, our distinction lies not in what we do, but in how we do it. Guided by a purpose-driven philosophy and a deep understanding of our customers, we combine experienced leadership, a strong liability base, and digital presence creates a lasting impact. Our holistic approach centred on trust, inclusion, and innovation sets us apart in a dynamic financial ecosystem.

Experienced Leadership Team with a Proven Track Record

01

Our leadership team combines years of institutional knowledge with domain expertise to drive sustainable growth and strengthen regulatory alignment. With a deep understanding of both legacy segments and emerging opportunities, the team continues to guide the Bank through an evolving financial landscape while upholding a strong culture of governance and customer centricity.

82%
Independent Non-Executive Directors on the Board

Diversified and Balanced Asset Portfolio (~88% Secured)

02

We have strategically transformed our portfolio with a sharp focus on asset quality and stability. Over 88% of our portfolio is now secured, led by Small Business Loans (SBL), Used Vehicle Finance, Affordable Housing, and MSE lending. These segments not only ensure better asset quality but also address critical funding gaps in underserved segments.

43%	SBL
25%	Vehicle Finance
13%	Housing Finance
13%	Microfinance
4%	MSE Finance
3%	Others

VALUE RESEARCH PREMIUM

Time-Tested Credit Assessment Model

03

Our underwriting models have consistently performed across economic cycles. By combining deep field intelligence with cash flow-based assessments and secured lending practices, we have kept credit costs stable even during periods of macroeconomic volatility. The strong repayment behaviour of customers, especially in SBL, reflects our disciplined credit culture.

~1% Credit Cost

In our secured portfolio in 2024-25

Robust Liability Franchise Ensuring Stability

04

A granular, retail-focussed liability base continues to support business growth and margin stability. Our Liability 2.0 strategy centres on deepening customer engagement, reducing the cost of funds, and maintaining healthy liquidity buffers. With rising traction in Elite and NRI segments, our franchise continues to expand with discipline and strength.

₹40,000+ Crore

Total deposit base as of 2024-25

72%

Retail share in overall deposits

145+ Countries

Presence of NRI customers

₹2,200+ Crore

NRI deposit book

Value Research

Scaling Business through Technology

05

Technology underpins our strategy to scale efficiently and deliver superior customer experience. From intuitive apps and cloud-native platforms to assisted digital models, we continue to automate operations, drive cross-sell, and improve turn-around-times across products and services. We're also building digital-native revenue streams such as investment and insurance platforms.

1.5 Lakhs+ Downloads

Of the Selfe Loan App, disbursing ₹1,247+ Crore

1,00,000+

Downloads of the revamped Mobile Banking App

80%+

Loan disbursal journey paperless through e-KYC and e-sign

Live

Moved to a state-of-the-art CRM where 360-degree customer information access is readily available; upgraded Selfe Loan app for credit card and personal loans

Customer-Centric Philosophy at Every Level

06

We put customers at the centre of every touchpoint—from segmentation and product design to onboarding and grievance redressal. Whether it is elite banking, rural lending, or NR servicing, we take a relationship-first approach. All offerings are built to drive loyalty, enhance stickiness, and simplify customer journeys, backed by our digital platforms and trained field force.

We have evolved from offering transactional convenience to creating meaningful, end-to-end engagement through digital platforms, advanced CRM systems, and a dedicated CX vertical.

Strong governance and a structured Voice of Customer programme guide continuous improvement, leading to over 100 service innovations in 2024–25. Tools like AI chatbots, voice bots, and staff training through the ACE Programme have enhanced customer journeys, improved satisfaction, and strengthened long-term relationships.

Segmented Offerings

From Elite and NRIs to informal micro-entrepreneurs

Risk Management and Strong Governance Framework

07

We maintain a robust and transparent governance framework, anchored in the principle that 'Whenever we are in doubt, the benefit of doubt goes to the regulator.' Rather than operating at the edge of regulation, we take a conservative view and proactively seek regulatory clarity when required. All critical findings are escalated immediately upon identification, without deferral to periodic reporting. Any compliance breach regardless of how it is detected is promptly reported with defined timelines for resolution. In cases where internal reviews reveal incorrect customer charges, we ensure swift reversal and compensation, even in the absence of a complaint.

20.6%

CRAR as of March 2025
(well above regulatory requirement)

66.83%

Provision Coverage Ratio (PCR) as of March 2025

80%

New MFI disbursements made to existing customers only

Value Research

Purpose-Driven Approach to Banking (Beyond Banking) 08

From day one, Equitas has gone beyond banking to create long-term social value. Through Equitas Development Initiatives Trust, we drive programmes in healthcare, education, skills, livelihood, and pavement dweller rehabilitation. Our holistic approach empowers underserved communities while enhancing our social license to operate.

Circle of Life Series

52,000+
Health camps conducted, benefiting 4.6 Mn people

6,000+ Families
Rehabilitated under 'Birds Nest' initiative

7 Lakhs+
Participants trained under Equitas Gyan Kendra

3.3 Mn+
Eye care beneficiaries

Value Research

Tapping India's Underpenetrated Opportunity 09

We operate in a structurally underpenetrated space, catering to small businesses, self-employed borrowers, and emerging consumers in semi-urban and rural India. Rising formalisation, digital payment adoption, government-led infra capex, and unmet MSME credit demand position us to grow responsibly with scale.

50%+
Loan portfolio aligned with SFB lending mandate

₹25 Lakh Crore+
Estimated MSME credit gap in India

64%*
Budgetary rise in PMAY and infra-led housing schemes for 2025-26

*PRS India report on Union Budget 2025-26, February 2025

Financial Resilience

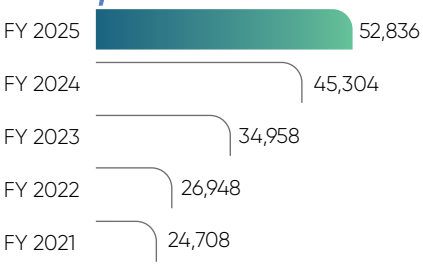
Financial Performance

In 2024-25, we delivered resilient performance across several core segments, with strong growth in Small Business Loans, Vehicle Finance, and MSE portfolios. Our capital position remained healthy, and we continued to grow our net interest income steadily while investing in technology and expanding our product suite. However, our overall profitability was impacted by stress in the Microfinance portfolio. In response, we took proactive steps to rebalance our portfolio, manage costs, and strengthen asset quality. As we move forward, we remain focussed on driving sustainable growth, improving return metrics, and building a more balanced and future-ready institution.

Value Research

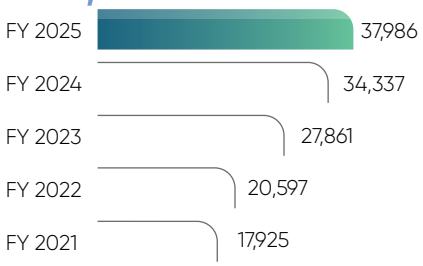
Balance Sheet (In ₹ Crore)

52,836



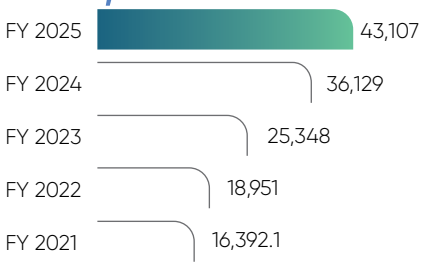
Gross Advances (In ₹ Crore)

37,986



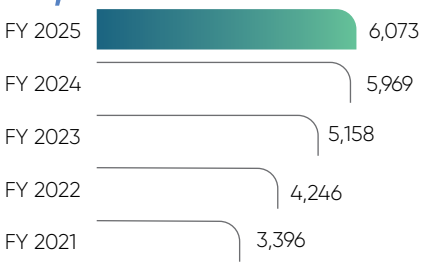
Total Deposits (In ₹ Crore)

43,107



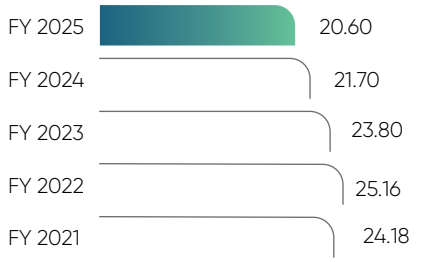
Net Worth (In ₹ Crore)

6,073



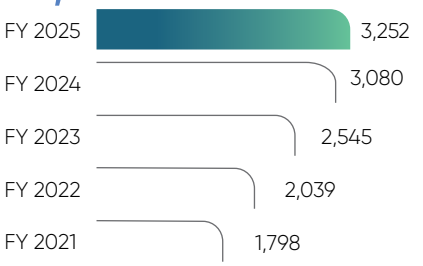
Capital Adequacy Ratio (%)

20.60



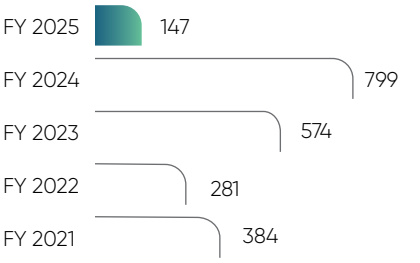
Net Interest Income (In ₹ Crore)

3,252



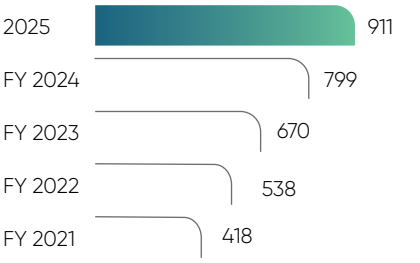
Profit After Tax (In ₹ Crore)

147



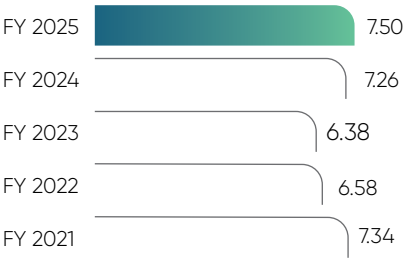
Other Income (In ₹ Crore)

911



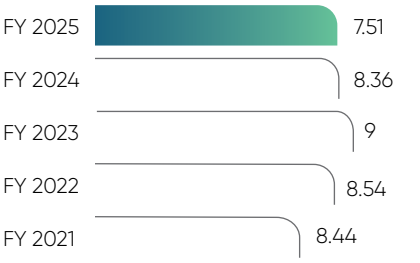
Cost of Funds (%)

7.50



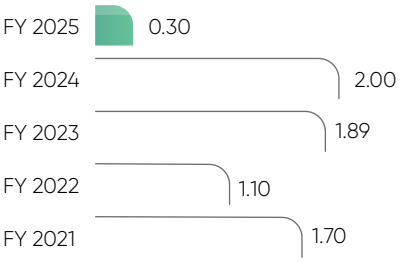
NIM (%)

7.51



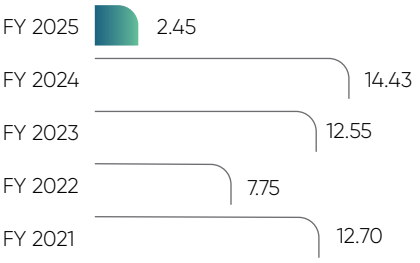
Return on Assets (%)

0.30



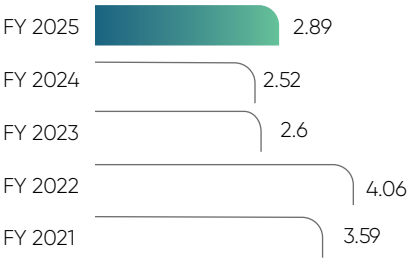
Return on Equity (%)

2.45



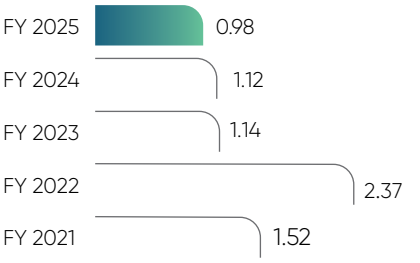
GNPA (%)

2.89



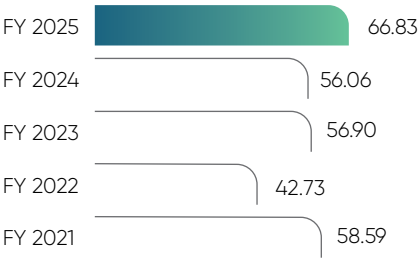
NNPA (%)

0.98



PCR (%)

66.83



Value Research

Branding Initiatives

Building the Equitas Brand

At Equitas, we strive to build a brand that transcends traditional banking by creating meaningful connections with customers, employees, and stakeholders. Our marketing strategy adopts a full-funnel approach, combining mass visibility with micro-targeting. Through high-recall campaigns, strategic sports partnerships, and impactful CSR storytelling, we focus on enhancing visibility, widening reach, deepening engagement, and building long-term brand affinity – while staying true to our core philosophy of Beyond Banking.

Digital Marketing Efforts

As a 'Digital First' Bank, we leverage advanced digital marketing strategies to engage customers across multiple platforms. We continued to invest in digital marketing as a core lever for brand building. Leveraging data analytics and automated customer journeys, we executed targeted campaigns across web, mobile, and social platforms. A key highlight was the promotion of our **Equitas 2.0 Mobile Banking App**, launched with a refreshed interface and enhanced user experience. Supported by a multimedia marketing push, the campaign reinforced our image as a tech-forward Bank offering convenience at customers' fingertips.

Our **Selfe Loans App** was also prominently marketed as a digital solution for self-service loan applications. Campaigns encouraged users to explore the app for simplified access to credit, while simultaneously educating them on its broader functionality, contributing to brand stickiness and app adoption.

237k Followers

112k Followers

83.4k Subscribers

VALUE RESEARCH PREMIUM

Customer Engagement

2024-25 saw the launch of several customer-facing campaigns aimed at deposit mobilisation and product awareness. The **'Save Big. Earn Bigger'** campaign promoted attractive FD schemes like the 888-day tenure, positioned through high-impact creatives, digital banners, and outdoor media.

The **'Equitas Express – Bike Banker'** campaign communicated our doorstep banking proposition with vibrant visuals and strong messaging around speed and accessibility.

We also spotlighted our digital transformation journey through the **'Equitas 2.0'** campaign, highlighting the upgraded mobile banking app as a one-stop digital solution. These campaigns were amplified across owned and paid media, including branch branding, digital video content, and influencer-led promotions.

Partnership with Cricket Franchisees

Our continued association with Chennai Super Kings (CSK) and Gujarat Titans (GT) added a high-decibel dimension to our brand presence. Under the 'Bank Behind Champions' slogan, we ran integrated campaigns featuring team players, match-day visibility, and co-branded creatives across ATL and digital channels. These partnerships allowed us to tap into large, emotionally engaged audiences, driving mass awareness and aligning the brand with values of performance and resilience.

'Circle of Life' - A Bitter Beginning Made Sweeter

True to our philosophy of creating impact beyond numbers, we continued to invest in purpose-led content through the '**Circle of Life**' digital series. This original storytelling platform highlights real-life journeys of Equitas customers and communities who have overcome challenges with courage and dignity. The series has achieved a reach **of over 100,000**, reinforcing the emotional dimension of our brand. The themes explored in the series are directly linked to our CSR initiatives – such as healthcare outreach, livelihood training, inclusion of the transgender community, and rehabilitation of pavement dwellers.

SHAPING WHAT COMES NEXT

Value Research

The story of Equitas has always been one of progress with purpose. With a strong foundation in place, we are now **stepping into a new phase** – one that reimagines what a mass retail Bank can be.

From Progress to **Momentum.**

From Presence to **Impact.**

From Banking to **Belonging.**

We are Shaping What Comes **NEXT.**

Today, we are shaping what comes NEXT. It is not just the continuation of our journey; it is a transformation of mindset. It is where progress accelerates, ideas scale faster, and customer value is redefined at every level. It is also where we take confident steps towards becoming a Universal Bank, expanding our capabilities to serve every financial need across customer lifecycles and ecosystems.

Value Research

We are doing this by:

Strengthening our liability engine with smarter, value-led customer propositions across segments and life stages

Expanding the product portfolio with credit cards, personal loans, and Forex services that build lifecycle engagement

Leveraging technology to transform every touchpoint – from onboarding to service to cross-sell

Enhancing new-age platforms like the Selfe Loan App, next-gen CRM, and digital banking journeys for effortless access

Deepening family and institutional banking offerings to nurture long-term, multi-generational relationships

Elevating customer engagement with data-led insights, governance, and experience-led innovation

The next phase is not just about doing more.

It is about doing it better, faster, and with impact.

Strategic Levers

Catalysts for Growth

Our growth is underpinned by strategic levers that go beyond transactional value to build enduring relationships, mitigate risks, and drive long-term value creation. These catalysts are transforming our operating model, from product-led to customer- and relationship-led, and shaping our evolution into a comprehensive, mass retail financial institution. Each initiative is designed to strengthen our core, expand reach, diversify offerings, and enhance customer lifetime value.

Our growth is driven by four core catalysts – Liability 2.0, Small Business Loans (SBL), Cross-Sell, and New Product Introductions, each playing a distinct yet complementary role in strengthening our franchise, deepening customer engagement, and expanding market presence.

Liability 2.0

Value Research

Liability 2.0 is a foundational pillar of our growth model, centred around deepening customer relationships, improving engagement intensity, and driving down cost of funds through calibrated acquisition and retention strategies. Rather than focussing solely on deposit growth, this strategy is built on the principles of customer-centricity, lifecycle-based engagement, and digital enablement.

Family Banking – Building Holistic Relationships

Recognising the importance of household-level engagement, we launched the Family Banking proposition to expand beyond individual accounts. The model focusses on building multiple product relationships within families, anchored by a lead member (typically the primary depositor or borrower).

- Targeted at the emerging affluent and HNI segments.
- Benefits such as preferential pricing, locker access, credit card offers, and personalised service drive engagement.
- The Elite segment, comprising mass-affluent to HNI families, saw ~16% YoY growth, validating the potential of this approach.

Digital Banking – Scaling Efficiently Through D2C

Our digital-first Direct-to-Consumer (D2C) strategy is accelerating new customer acquisition while maintaining cost efficiency.

- 100% digital onboarding.
- The upcoming CorpSal D2C journey targets digitally native salaried individuals with a frictionless experience.
- This initiative contributes to more granular, stable, and long-tenure deposits that improve overall liability quality.

VALUE RESEARCH PREMIUM

Transaction Banking – Activating and Monetising Accounts

Our enhanced transaction banking suite is helping increase active usage and transaction depth:

- Salary account programmes with milestone-based rewards.
- QR and POS integration for small merchants and business customers.
- Value-adds such as complimentary lockers and curated offers for premium customers encourage long-term usage beyond just balance retention.

Banker on Wheels – Bridging the Last Mile

To penetrate low-access and rural areas, we operationalised the Banker on Wheels initiative.

- Phygital model with virtual bankers providing doorstep banking services.
- Enables onboarding in remote locations without permanent branch infrastructure.
- Long-term integration into our mobile app ecosystem will ensure seamless cross-channel experiences.

Equitas 2.0 Mobile Banking App

The **Equitas 2.0 Mobile Banking App**, launched in **January 2025**, is a cornerstone of our digital transformation journey and a strategic enabler across our customer engagement, acquisition, and retention initiatives. Positioned as the nucleus of our 'Super App' vision, the platform reimagines the banking experience by combining intuitive design, robust functionality, and personalised engagement on a single, omni-channel interface. By integrating real-time insights, nudges, and service delivery into a single journey, it empowers Equitas to build long-term, high-retention relationships while delivering a seamless and unified banking experience.

Small Business Loans (SBLs)

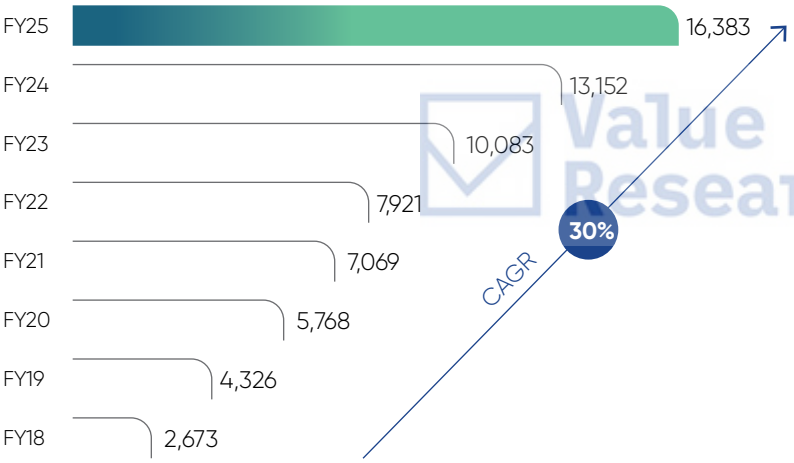
Rooted in the ethos of financial empowerment, the SBL portfolio enables credit access to micro and small business owners, especially those who have historically remained underserved by the formal financial system. By bridging the credit gap at the base of the economic pyramid, SBLs not only unlock entrepreneurial potential but also serve as a scalable, high-quality growth lever for the Bank.

A Flagship Product with Deep Socio-Economic Impact

Introduced in 2013, the SBL product line was conceived to serve a dual purpose, enable microfinance borrowers to graduate to longer-tenure, individual loans backed by credit assessment, and bring first-time formal credit to entrepreneurs in semi-urban and rural India. Over the years, Equitas has evolved this offering into a flagship portfolio, contributing significantly to the Bank's financial performance and purpose-led mission.

SBL

CAGR - 30%



These secured loans, typically disbursed against residential properties, are predominantly sourced from Tier 2 and Tier 3 towns, where the demand–supply gap in small business financing remains acute. By focussing on this segment, Equitas is not only capturing a high-potential market but also enabling formalisation of informal enterprises.

Differentiated Model Anchored in Robust Underwriting

A key differentiator for Equitas lies in its proprietary credit underwriting model, an outcome of deep customer understanding and extensive field research.

01

Tailored Templates for 30+ Business Profiles

These credit assessment templates are specifically designed to evaluate the cash flows, viability, and repayment capacity of informal business owners who often lack formal income proof or Bank statements.

02

Ground-Up Model Design

Developed in-house by Equitas' credit teams through years of grassroots engagement, the model ensures **credit quality without compromising on customer inclusion**.

03

Risk Governance and Process Rigour

A dedicated in-house risk unit conducts random loan file assessments to uphold credit integrity and operational discipline. This process has helped mitigate over-leveraging risks and preserve asset quality even amid portfolio expansion.

Driving Strategic Outcomes

Graduation Engine
Transforms microfinance borrowers into longer-tenure, individual borrowers

Asset Diversification
Builds a secured, high-ticket loan book with better risk-adjusted returns

Geographic Penetration
Expands Equitas' footprint in emerging urban and semi-urban markets

Customer Stickiness
Encourages deeper wallet share through cross-sell of liability and insurance products

SBL Portfolio Snapshot – As on March 31, 2025

42%
Share of Total Asset Portfolio

25%
YoY Portfolio Growth

0.5%
Average Credit Cost (2017-18 to 2024-25)

~2.5%
Gross NPA

3,12,335
Customer Base

₹ 5.20 Lakhs
Average Ticket Size (ATS)

444 Branches
Branch Network

7,597
Employee Base (SBL business)

Geography Mix

58%
Tamil Nadu

42%
Non-Tamil Nadu

Value Research

Cross-Sell

Cross-sell is a powerful lever for deepening engagement, improving profitability per customer, and driving cost-effective growth. By offering tailored financial solutions across lending, liabilities, and payments, we aim to become the primary banking partner for our customers.

Key Enablers

CASA Penetration among Asset Customers

Mandating current accounts for SBL and business loan customers has enhanced transaction volumes and reduced dormancy.

Credit Cards and Personal Loans

These products are purpose-built for cross-sell:

- Personal Loans and credit cards are offered to existing deposit and asset customers.
- Asset-backed cards reduce risk and enhance customer utility.
- Cards offered to deposit customers (especially in the Elite segment) improve product-per-customer metrics and stickiness.

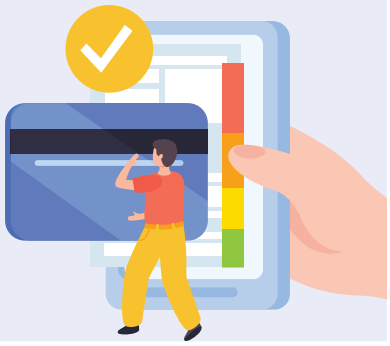
These offerings deepen wallet share, increase usage across channels, and convert single-product relationships into multi-product journeys.

New Products

Equitas Small Finance Bank's product innovation strategy is focussed on expanding customer relevance, driving non-interest income, and deepening customer relationships across lifecycle stages. In 2024-25, we introduced a range of thoughtfully designed products like credit cards and personal loans to address evolving customer needs, strengthen cross-sell potential, and diversify our revenue mix. These additions mark a pivotal shift in Equitas' journey toward becoming a full-service, future-ready retail bank.

Credit Cards[1]

Credit cards have become a mainstream payment instrument in India, offering convenience, lifestyle benefits, and digital payment flexibility. In 2024-25, India's credit card industry saw ₹ 21 lakh Crores in annual spends, up 15% YoY, with 62% of spends happening online. Emerging trends such as UPI-linked credit cards, digital onboarding, and personalised rewards are reshaping customer preference, aligning strongly with Equitas's digital-first philosophy.



To tap into this opportunity and enhance depositor engagement, Equitas launched its credit card portfolio in March 2025. The objective is to drive customer stickiness, boost engagement, and build wallet share through curated propositions.

Our three unique card offerings are designed to cater to distinct customer personas:

Tiga	Selfe	PowerMiles
Target Segment Value-seekers	**Target Segment** Youth/customisation-seekers	**Target Segment** Affluent and frequent travellers
Key Features 3-month EMI on select spends, low initial APR, UPI/contactless rewards	**Key Features** Personalised rewards, premium subscriptions, flexible billing and card design	**Key Features** Metal card, travel rewards, air mile transfers, concierge, global lounge access

Source[1]: RBI, Economic Times Link: https://economictimes.indiatimes.com/industry/banking/finance/banking/swipe-fest-credit-card-spends-top-rs-21-lakh-crore-on-consumer-demand/articleshow/120628905.cms?from=mdr

VALUE RESEARCH PREMIUM

Personal Loans[2]

Launched in November 2024, Personal Loans (PL) are part of our broader strategy to deepen wallet share among existing customers. While the industry saw 15% YoY growth with outstanding personal loans crossing ₹ 14 lakh Crores (as of October 2024), Equitas has taken a calibrated approach, targeting relationship-based lending over scale.

Offered exclusively to existing liability customers, with internal scorecards used for eligibility.

Serves as a low-risk, quick-disbursal product to meet short-term financial needs.

Strengthens multi-product engagement, paving the way for long-term relationship value.

PLs are viewed as retention and upsell tools, rather than mass-market offerings, helping enhance customer experience and diversify the lending mix with prudent risk filters.

Value Research

FCNR Deposits

In May 2025, Equitas launched Foreign Currency Non-Resident (FCNR) deposits, opening up a new avenue to engage Non-Resident Indians (NRIs) and expand our non-INR deposit base.

These specialised fixed deposits offer NRIs the ability to:

- Hold funds in designated foreign currencies (currently US$; GBP, Euro, AUD, and CAD in pipeline)
- Earn tax-free interest
- Hedge against currency volatility
- Book standalone FCNR accounts without needing an NRE account

By introducing FCNR, we are not only broadening our NRI product suite but also reinforcing our position as a preferred banking partner for global Indians seeking convenience, competitive returns, and digital access.

- Strengthens stickiness within our growing NR customer base
- Enhances the liability profile with longer-tenure, stable foreign currency deposits
- Increases the overall share of the NRI book, which has already crossed ₹ 2,000 Crores

Each of these new product introductions reflects Equitas' intent to evolve from a transaction-led Bank to a relationship-centric financial partner. Whether through digitally enabled credit cards, contextual personal loans, or globally relevant FCNR deposits, we are building a future-ready platform capable of addressing the full spectrum of our customers' financial needs, while opening new pathways for growth, profitability, and differentiation.

Source[2]: Transunion_CIBIL

Digital-First Model

Technology-Driven Model

As banking evolves in the digital age, we are reimagining how technology shapes every customer interaction and internal process. At Equitas, we see technology not as an add-on, but as the backbone of a more agile, inclusive, and insight-led banking model.

During the year, we made strategic investments across our digital stack – from launching **Equitas 2.0**, our next-gen mobile banking platform, to rolling out a **cloud-native UPI system** and a new CRM to enable personalised, real-time engagement. We also introduced a **self-onboarding digital channel** to simplify savings account openings for first-time users.

Value Research

Equitas 2.0 Mobile Banking App

Smarter. Safer. Simpler.

Our banking app is our next-generation, cloud-native platform designed to redefine digital banking. With a completely revamped user interface and advanced security, the app offers a seamless, intuitive experience tailored for today's mobile-first customer.

Key Highlights

Modern Interface
Enhanced design for intuitive navigation and ease of use

Cloud-Native Architecture
Built for speed, scalability, and future-ready performance

Robust Security
Features like Face Recognition and App Protect for secure access

Integrated Ecosystem
Supports UPI, BBPS, ASBA IPO

Enhanced User Experience
Faster transactions, reduced friction, and personalised journeys

VALUE RESEARCH PREMIUM

Loan Origination Customised for Informal Lending

Designed specifically for the unique dynamics of informal lending, our loan origination platform streamlines the entire journey from lead capture to disbursement through a fully integrated, automated, and scalable framework. With an emphasis on control, compliance, and convenience, this solution empowers teams while enhancing the customer lending experience.

Salient Features

- Capability to handle 2,500 concurrent users, scalable up to 5,000 users
- Seamless lead channelling from Selfe App or direct sources
- Structural independence between Credit and Sales teams for objective decision-making
- 60+ backend integrations enabling end-to-end process automation
- E-NACH registration for secure, cashless repayments
- Automated eligibility engine for accurate and fast credit assessment
- Fully integrated modules for account opening, collateral management, and disbursement

Equitas Selfe Loans

Selfe Loans is our all-in-one digital lending app tailored for tiny entrepreneurs across India's cities and towns. Built on modern, scalable technology, the app simplifies loan access for self-employed individuals enabling quick inquiries, seamless onboarding, and safe disbursals, all from the convenience of a smartphone.

Key Highlights

Value Research

One App, Many Loans
Designed for diverse loan needs of micro-entrepreneurs

Targeted Reach
Focussed on empowering small business owners in urban and semi-urban areas

Agile and Scalable
Developed on next-gen architecture for continuous improvement and speed

Safe and Easy
Offers a secure and user-friendly borrowing experience

Transforming Customer Engagement through CRM

Our CRM implementation on Microsoft Dynamics 365 is redefining how we engage with customers across sales, marketing, and service functions. By centralising lead, contact, account, and opportunity management, the platform provides our teams with a structured and efficient sales pipeline, boosting revenue potential. Seamlessly integrated with our core banking and loan origination systems, it ensures smooth workflows and real-time access to customer data. With a unified view of all customer interactions, Emails, calls, and appointments the CRM empowers our teams to deliver more personalised, consistent, and high-quality service.

Automation and AI: Shaping the Future of Operations

Looking ahead, automation will be a central theme in our operational strategy. Our goal is to automate all standard tasks to drive efficiency, reduce turnaround time, and scale seamlessly. In parallel, we are exploring use cases in Generative AI (Gen-AI) to unlock new opportunities, improve decision-making, and deliver enhanced, intelligent solutions to our customers.

Deepening Relationships through Experience and Engagement

At Equitas, our customer experience philosophy is evolving from transactional convenience to holistic engagement. 2024-25 marked a significant step forward in this journey, as we advanced our Liability 2.0 strategy, combined with digital transformation and segmentation-led service models, to foster deeper, more enduring relationships.

A Structured Approach to Customer-Centricity

We are progressively moving from a product-led to a customer- and family-centric model. This strategic shift is underpinned by a new Customer Relationship Management (CRM) system, enabling us to unify customer interactions and deliver personalised service across channels. Additionally, the creation of a Cross-Sell Centre of Excellence and the use of data analytics for propensity-based offers illustrate our commitment to engaging customers meaningfully at every stage.

Value Research

Customer Experience Governance Structure

Our customer-centricity is anchored in strong governance, with a Board-level Customer Service Committee that fosters transparency and enables direct customer interaction.

Servicing	Oversight	Voice of Customer (VoC) Programmes
Branch-Led Servicing	Customer Service Committee	Customer Interactions and Feedback to Committees
Digital Servicing	Management Standing Committee	Surveys
Setting up an Independent CX Vertical	CX Leadership Groups	NPS
		CSAT
		Focus Group Discussions

A Structured Approach to Customer-Centricity

At Equitas, we deeply value our customers, and our commitment to keeping them first is at the heart of everything we do. Through our Voice of Customer (VOC) framework, we actively listen and learn from our customer feedback. This helps us understand their needs better, leading to improved services and experiences. By focussing on our customers' voices, we aim to not only meet but exceed their expectations, building strong relationships and ensuring their trust and loyalty.

- **Independent Customer Experience (CX) Vertical:** Separated from business functions to ensure unbiased governance and objective complaint resolution.
- **Cross-Sell Centre of Excellence:** Leveraging data analytics and propensity models to deliver personalised, contextual offerings across the customer lifecycle.
- **Straight through Processing:** Enhanced backend automation to ensure seamless, faster service resolution.

Driving Innovation through the Voice of Customer

We treat customer complaints as vital inputs for service innovation. During 2024-25, feedback from our Voice of Customer (VoC) framework led to:

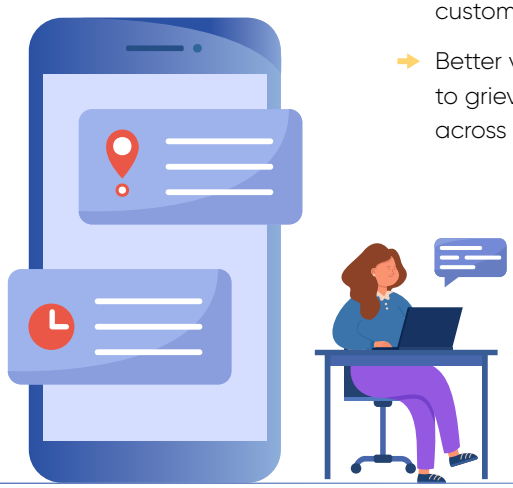
- Over 100 technology enhancements and process redesigns.
- Dedicated Email support for addressing unauthorised transaction grievances.
- Pilot mystery shopping exercise, resulting in a Service Excellence Guideline and Branch Compliance Checklist for uniform service quality.

The Bank's Net Promoter Score (NPS) rose from 89 to 92 over the year, validating the positive impact of these interventions.

Harnessing Technology to Elevate Customer Interactions

Our digital transformation has significantly enhanced the customer experience:

- AI-powered chatbot 'AIDY' handled 6.8 lakh interactions with 97% accuracy, freeing up staff to address complex needs.
- Rollout of advanced CRM Service Modules, revamped Internet and Mobile Banking platforms, and robust Credit Card and Loan servicing systems.
- Selfe Loans upgraded with seven new functionalities to enrich digital journeys.
- Introduction of Voice Bot for New-to-Bank callers and Insta Call for risk-blocked customers.



ACE Professional Programme: Elevating Customer-Facing Roles

2024-25 saw the launch of our **ACE (Achieve, Connect, Excel) Professional Programme,** a flagship initiative for Branch Customer Service Officers (CSOs) and Service Operations Managers (SOMs). Key highlights:

- 24/7 access to short, self-paced learning on **PeopleStrong LMS.**
- Supplementary case studies and reading resources on the intranet.
- Mandatory certification for customer-facing staff with 2 or more years' experience.
- Expansion planned to cover Asset Branches and deepen service capabilities.

Streamlining Customer Journeys and Compliance

We proactively addressed key lifecycle friction points through:

- Drives for nominee detail updates and Re-KYC completion, ensuring regulatory compliance.
- Seamless onboarding for new customers via digital outreach.
- Better visibility and accessibility to grievance redressal channels across platforms.

Value Research

CREATING VALUE FOR ALL

Value Research

At Equitas, value is not defined by profit alone, it is measured by the **lives we touch**, the futures we enable, and the systems we strengthen.

Inclusive by **Design.**

Sustainable by **Intention.**

Accountable by **Action.**

This is our **commitment.**

Our growth philosophy is rooted in balance, between purpose and performance, innovation and inclusion, people and the planet. We believe banking should do more than transact, it should transform.

Whether it is a first-time borrower, a growing family, a remote community, or our own employees,

we strive to deliver value that lasts by:

Value Research

Embedding **ESG principles** into every layer of decision-making

Expanding **financial inclusion** through technology and trust

Empowering communities through **education, livelihoods, and healthcare**

Investing in our people with a focus on **diversity, learning, and well-being**

Advancing **green banking and responsible operations** across our footprint

Strengthening **governance and transparency** through leadership and accountability

Because real impact comes not from scale alone, but

from the depth of care and the breadth of value we create.

equitas
Equitas Small Finance Bank

Value Creation Model

To create the most valuable Bank for

INPUT

Inclusive Banking DNA
- Deep-rooted focus on financially underserved and first-time borrowers
- SHG-led microfinance model and women-centric approach

Strong Retail Liability Franchise
- ₹ 43,107 Crore total deposits
- CASA ratio: 29%

Digital-First Infrastructure
- Selfe Loan App
- Equitas 2.0 App

Diversified Loan Book
- ₹ 37,986 Crores Gross Advances
- 88% secured portfolio
- Key segments: SBL, Used CV and Used Car, Affordable Housing

Robust Human Capital
- 25,409 employees
- ~13% women workforce

Strong Governance and Compliance
- 82% Board independence as against regulatory requirement of 50%
- Robust internal risk and audit systems

Social Development Integration
- Equitas Development Initiatives Trust (EDIT) for education
- Holistic focus: Healthcare, Skill Development,
- Placement Initiatives; Rehabilitating Pavement Dwellers

CORE BUSINESS ACTIVITIES

Depositors:
- Mass
- Mass Affluent/Elite
- Non-Resident Individuals (NRIs)

Deposit Instruments:

Current Accounts (CA)

Savings Accounts (SA) → Forming CASA (Current Account Savings Account)

Term Deposits (TD)

Total Customer Deposits = CASA + Term Deposits
Bank Locker Services

7.50%
Cost of Funds

3S Philosophy
CSR Philosophy
Beyond Banking

Borrowers:
- Bottom-of-the-Pyramid (BoP) Customers
- Self-Employed Individuals and Micro-Entrepreneurs
- Rural and Semi-Urban Customers
- Micro, Small and Medium Enterprises (MSMEs)

Lending Portfolio (including PSL segments):
- Small Business Loans
- Vehicle Finance
- MSE Finance
- NBFC Financing
- Housing Finance
- Micro Finance and Microloans

Third-Party Offerings:
- Mutual Fund Distribution (AUM mobilised)
- Insurance Products (Premiums booked)
- 3-in-1 Trading Accounts
- FASTag Issuance

16.51%
Yield on Net Advances

1.79%
Other Income as % of Total Avg. Assets

Core Purpose
- To build a stable, sustainable and scalable banking model that delivers:
- Access to financial services for underserved and unserved communities
- A mass retail banking experience that is inclusive and convenient
- Sustainable returns for investors through prudent, ethical, and efficient operations

Value Research

VALUE RESEARCH PREMIUM

→ *all stakeholders through happy employees*

OUTPUT

Financial Growth

- 9% YoY growth in Net Income
- ROA: 0.31%, ROE: 2.45%
- NIM: 7.51%

Asset Quality and Credit

- GNPA: 2.89%, NNPA: 0.98%
- Non-MFI Credit cost: 1.06%

Liability Mobilisation

- 19% YoY growth in deposits
- Retail term deposits: 18,447 Crore
- CASA Balances: 12,410 Crore

Customer Base Expansion

- Total customer base: 44.70 Lakh
- 100% digital and instant service processing
- 1 Lakh+ leads generated through the Selfe Loans app
- 52K unique registrations in Equitas 2.0 App
- 24x7 customer support via digital and assisted models

People & Productivity

- Culture pulse survey: 4.43/5
- Training hours: 5.51 Man Days

Sustainability Focus

ESG ratings

- NSE ESG Rating: 66
- CRISIL ESG Rating: 65 – Strong
- Sustainalytics ESG Risk Rating: 30.5 – High Risk
- ESG Ai Ratings: 68.05 - Strong

Social Impact

- 37,713 women entrepreneurs trained in vocational skills
- 40,393 youth supported with placements
- 1,609 families rehabilitated through the Equitas Bird's Nest Programme

OUTCOME

Customers

- NPS: 92% Low-cost, high-touch service delivery model

Shareholders

- PAT - ₹ 147 Crore
- EPS: 1.29

Employees

- Stable retention across core functions

Communities

- 12,50,000+ cumulative lives impacted through CSR
- CSR coverage in health, education, sanitation, and skilling

Regulators & Society

- Proactive compliance and governance practices
- Transparent disclosures and internal control systems

Value Research

Strengthening Our Sustainability Commitment

As a Bank deeply connected with financially underserved communities, we have always operated at the intersection of commercial viability and social responsibility. Built on the conviction that finance can be a force for good, we believe in banking that balances economic outcomes with lasting social and environmental value.

Value Research

VALUE RESEARCH PREMIUM

Over the years, we have developed a long-standing track record of impactful CSR initiatives that reflect our commitment to inclusive development. Our flagship programmes focus on healthcare, education, and livelihood generation for underprivileged communities. Through the Equitas Development Initiatives Trust and the Equitas Healthcare Foundation, we deliver free and subsidized healthcare, operate eight schools for children from low-income families, promote women's skill development, and support employment-linked training for youth.

Recognising the need to move beyond the CSR initiatives, towards a more integrated and future-ready approach, we have now embarked on a broader sustainability journey. This marks the beginning of our transition towards a comprehensive sustainability framework anchored in ethical responsibility, stakeholder value, and long-term impact.

To translate this belief into measurable impact, we have formalised our approach by introducing a comprehensive Environmental, Social, and Governance (ESG) Policy. This policy gives shape, structure, and accountability to our sustainability vision. It builds on our foundational values and serves as a strategic guide for how we operate, whom we serve, and the value we strive to create – both within and beyond the organisation.

Objective and Scope of the ESG Policy

The ESG Policy has been instituted to establish a cohesive framework that integrates sustainability into every aspect of our operations. It is designed to:

- Translate the Bank's ESG commitments into actionable plans aligned with global best practices and national priorities.
- Guide decision-making across key ESG domains such as emissions reduction, green financing, financial inclusion, employee well-being, and ethical governance.
- Ensure that our efforts contribute meaningfully to the **United Nations Sustainable Development Goals (UN SDGs).**

The scope of our ESG commitments covers:

- All internal and external stakeholders—employees, customers, partners, vendors, and communities
- All operational locations and branches across India
- All sustainability-linked initiatives—spanning green banking, social investments, employee welfare, and governance enhancements

Steering ESG with Strategic Leadership

Recognising that effective ESG outcomes require more than intent, we have embedded sustainability governance at the highest levels. We have established a multi-disciplinary ESG Committee that brings together leaders from across the Bank to ensure a cohesive and accountable approach to sustainability.

Our 3C x ESG Framework

Different stakeholders experience sustainability in different ways. For a customer, it may mean access to fair and responsible banking. For a community, it could be clean water, quality education, or dignified livelihoods. For a company, it involves making choices that respect people, planet, and profit.

At Equitas, we understand that a one-size-fits-all approach to ESG falls short. In line with this belief, we have built a more nuanced, stakeholder-aligned model - **3C x ESG Framework** that translates our Environmental, Social, and Governance (ESG) priorities into tangible actions across three key constituencies: **Customers, Community, and Company**.

This framework allows us to view sustainability not as a single strategy but as a series of aligned efforts, each carefully shaped to deliver meaningful, measurable value to the people and systems we impact every day.

Pillar	Customers	Community	Company
Environment	Offer sustainable financial products and promote eco-friendly banking practices.	Invest in environment-friendly projects and green initiatives.	Move towards net zero carbon emissions and implement energy-efficient practices.
Social	Improve financial inclusion through expansion, digital solutions, and financial literacy programmes.	Support the development of marginalised communities and promote employee volunteerism for social service.	Ensure employee well-being and promote a culture of continuous development and diversity.
Governance	Maintain high standards of customer service and always ensure fair and transparent interactions.	Engage with local communities to understand their needs and ensure ethical, transparent engagements.	Implement robust governance frameworks, ensure transparency in ESG reporting, and conduct regular audits aligned with industry best practices.

Value Research

ESG Ratings

66
NSE ESG Ratings

65 – Strong
CRISIL ESG Ratings

30.5 – High Risk
Sustainalytics ESG Risk Ratings

68.05 – Strong
ESG Ai Ratings

Climate Risk Assessment

We partnered with IPC GmbH (German consultancy) to strengthen our internal systems and capabilities in climate risk assessment. This collaboration is part of a technical assistance project provided by the Global Program Sustainable Economic Transformation and Sustainable Finance implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and co-funded by the European Union (EU). The support was provided as part of the EU-lead Sustainable Finance Advisory Hub (SFA Hub) and the EU-Global Gateway Initiative.

Materiality Assessment

Embedding Materiality in Our Sustainability Commitment

As a Bank born out of the vision to empower underserved communities, we have long operated at the intersection of economic viability and inclusive development. Over the years, our community initiatives have created meaningful impact through focussed interventions in healthcare, education, skilling, and livelihood generation. Yet, as we evolve into a more responsible and future-ready institution, we recognise the need to broaden and institutionalise our approach.

Our Materiality Approach

We undertook our first formal materiality assessment as a strategic initiative to strengthen our Environmental, Social, and Governance (ESG) performance. Conducted in the context of a rapidly evolving regulatory, societal, and technological landscape, this assessment reflects our proactive commitment to identifying, evaluating, and addressing issues that materially influence our business performance, stakeholder trust, and societal impact.

Materiality Determination Process

We undertook a comprehensive and structured double materiality assessment process to prioritise the issues that are most critical to our stakeholders and business. The key steps included:

Stakeholder Engagement

Involving diverse stakeholder groups, including employees, investors, consultants, analysts and partners through structured feedback, surveys, and dialogue.

Business Impact Analysis

Evaluating each topic's current and potential impact on our financial, operational, reputational, and strategic performance.

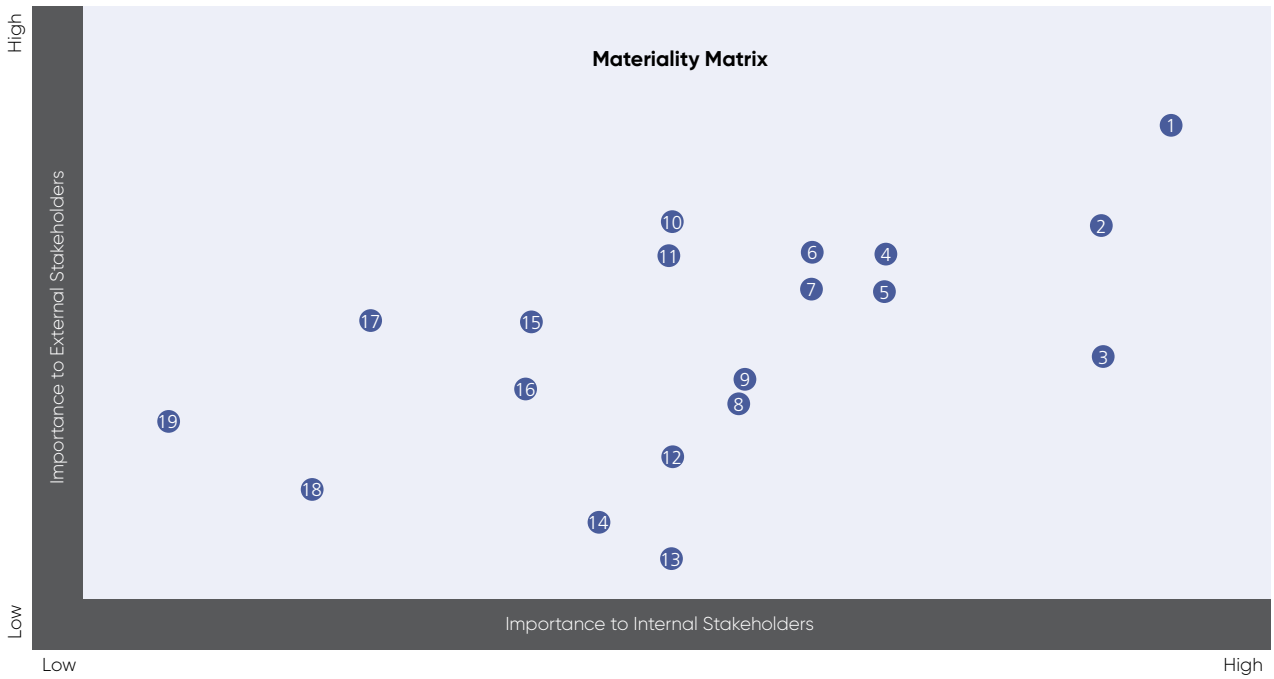
ESG Landscape Mapping

Benchmarking peer practices, aligning with global disclosure frameworks (GRI, BRSR, and SASB), and integrating SDG priorities relevant to inclusive finance.

Prioritisation and Validation

Using a two-dimensional matrix (internal stakeholder vs. external stakeholder relevance) to identify the top material topics, validated by senior management and the ESG Committee of the Board.

VALUE RESEARCH PREMIUM



	Material Topic	Aligned SDGs
1	Regulatory Compliance	16
2	Corporate Governance and Ethics	16
3	Data Privacy and Security	9, 16
4	Risk Management	8, 16
5	Transparency & Disclosures	16
6	Branding & Reputation	10, 17
7	Ethical Selling & Practices	1, 10
8	Business Continuity	11, 13
9	Business Model & Strategy	8, 9, 17
10	Values and Culture	5, 8
11	Leadership Development & Succession Planning	4, 8
12	Grievance Redressal	5, 16
13	Product Innovation & Responsible Lending	8, 9, 12
14	Digital Transformation	9
15	Talent Attraction and Retention	4, 5, 8
16	Competition & Market Opportunities	8, 9
17	Shareholder Rights	10, 16
18	Employee Well-Being	3, 5, 8
19	Board Diversity & Independence	5, 16

Investor Relations

Shareholder Engagement & Communication

At Equitas, IR team play a pivotal role in communicating the Bank's strategy, financial health, and social impact, ensuring confidence among shareholders, regulators, analyst and broader stakeholders. These communications are carried out in alignment with RBI and SEBI listing requirements.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Board is responsible for redressal of Investor grievances related to Transfer of shares, and non-receipt of Annual Report, among others. It also reviews the measures taken for effective exercise of voting rights by shareholders.

4 Meetings Held

100% Attendance

01 Shareholding Pattern

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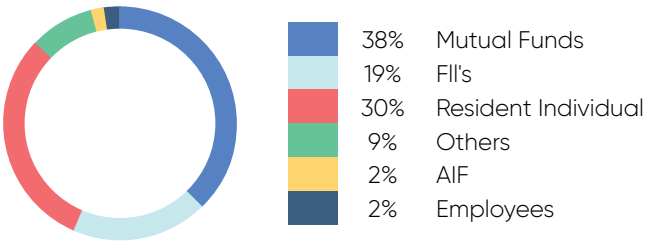
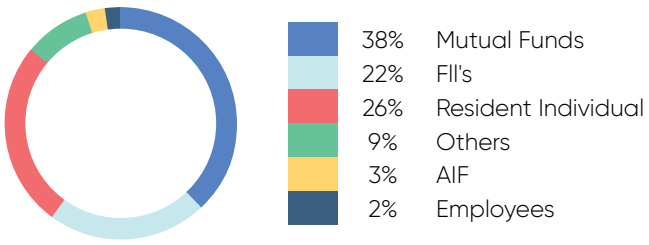
Description	No. of Shareholders	No. of Shares	% Equity
Alternative Investment Fund	17	2,69,65,866	2.37
FII	134	22,05,27,970	19.34
Mutual Funds	72	42,80,35,287	37.56
QIB	11	3,17,34,610	2.78
Resident Individual	4,40,097	34,77,81,595	30.51
Others	16,411	6,67,76,750	5.86
Employees	1,848	1,80,40,343	1.58



March 31, 2025



March 31, 2024

Stability in Mutual Fund holdings showing continued confidence from DII and increase in the retail participation reflects the confidence among the public.

During 2024-25, domestic flows continued to be strong backed by strong SIP flows in Mutual Funds. Despite FII net inflows being negative for the year due to high valuations, rupee depreciation, and declining corporate earnings, among others, the FII exposure of the Bank has been broadly stable.

VALUE RESEARCH PREMIUM

Holding >1% as on March 31, 2025

As on March 31, 2025	Category	% Holding
HDFC MF	MF	8.59
Franklin India MF	MF	6.29
SBI MF	MF	6.12
Ashish Dhawan	Public	3.72
Nippon MF	MF	3.07
Elipsis Partners LLC	FPC	2.94
IFC	FB	2.87
Canara Robeco MF	MF	2.73
Sundaram MF	MF	2.62
Rimco India Limited	FPC	2.03
Hara Global Capital Master Fund I Ltd	FPC	1.88
ICICI Prudential MF	MF	1.69
JM MF	MUT	1.63
ICICI Prud Life Insurance Co. Limited	QIB	1.56
Invesco MF	MF	1.55
Massachusetts Institute of Technology	FPC	1.26
Government Pension Fund Global	FPC	1.21
DSP Mutual Fund	MF	1.20
New Mark Capital AIF	AIF	1.03

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02 Investor Engagement

The Bank has dedicated IR website https://ir.equitasbank.com that serves as a transparent, engaging and reliable resource for stakeholders. The data can be accessed easily with download options for all type of data. There is a dedicated tab named 'Financial Information' which has the quarterly data trend of Key Ratios pertaining to P&L and Balance Sheet starting from 2018-19. This acts as a ready reference to Institutional Analysts/Investors for deep study/report generation.

Further, there is a separate tab named 'Investor Media' which has all the media interactions by the Management. This helps in delivering the Bank's narrative and positioning to investors.

Other Modes of Investor Engagement

Equitas actively participates in conferences, one-to-one meetings, and non-deal roadshows. The Bank uses these platforms to highlight its growth story, management strategy, and governance standards, thereby building trust and interest among both existing and new investor groups.

Number of Conference and Non-Deal Roadshows during 2024-25: 19

Number of Institutional Analyst Coverage: 20

Team Size: 3

Our Guiding Vision

Mr. Anil Kumar Sharma
Part-time Chairman & Non-Executive Independent Director

Mr. Vasudevan P N
Managing Director & Chief Executive Officer

Mr. Balaji Nuthalapadi
Executive Director

Mr. Navin Puri
Non-Executive Independent Director

Mr. Ramesh Rangan
Non-Executive Independent Director

Prof. Samirkumar Barua
Non-Executive Independent Director

Ms. Geeta Dutta Goel
Non-Executive Independent Director

Dr. Gulshan Rai
Non-Executive Independent Director

Mr. K S Sampath
Non-Executive Independent Director

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M M

Mr. Narayanan N R

Non-Executive Independent Director

C M

Mr. Ramkumar Krishnaswamy

Non-Executive Independent Director

Committees of the Board

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

C Chairperson M Member

Note: Committee composition is based as on March 31, 2025.

Skills/Expertise

- Accountancy
- Agriculture and Rural Economy
- Banking
- Co-operation
- Economics
- Finance
- Law
- Small-scale Industry
- Information Technology
- Payment & Settlement Systems
- Human Resources
- Risk Management
- Business Management

Other Committees of the Board

In addition to the Committees mentioned above, the Bank has constituted various other committees, such as Business Committee, Customer Service Committee, IT Strategy Committee, Credit Committee, Special Committee for Monitoring and Follow-up of Cases of Frauds, Review Committee for the Identification of Wilful Defaulters, Policy Formulation Committee, Outsourcing Committee and Committee for Review of High Value Stressed Assets to oversee and govern various internal functions and activities of the Bank.

Governance at a Glance

9
Board Meetings

94%
Board Attendance

94.81%
Board Committee Attendance

Board Independence

9
Independent Directors

9
Non-management Directors

8 Years
Term Limit of Independent Directors

Steering the Future with Our Leadership Team

Vasudevan Pathangi Narasimhan
MD & CEO

Balaji Nuthalapadi
ED - Technology & Operations

Sridharan N
Chief Financial Officer

Murali Vaidyanathan
Business Head - Liabilities

Jagadesh J
Business Head – Assets

Pallab Mukherji
Chief People Officer

Gopalakrishnan G
Head - Treasury

Vivek Dhavale
Chief Technology Officer

Siby Sebastian
Head - Operations

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Sibi PM
Chief Risk Officer

Sivapprakash VS
Head - IAD & Vigilance

Dheeraj Mohan
Head - Strategy, Investor Relations, BI and CX

Ramanathan N
Company Secretary & Compliance Officer

Ashwini Biswal
Chief Compliance Officer

Vignesh Murali
Head - Brand, Marketing & Corporate Communications

Sethupathy S
Head - Process & Quality Assurance

John Alex
Head - Lead Bank, Govt. Liaison & Social Initiatives

Arcot Sravanakumar
President – Infrastructure & Facilities Management

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Awards & Accolades

Recognition for Exemplary Employee Experiences

ABECA 2025

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Equitas Bank is Highest Rated Bank Across All Categories in the Ambition Box Employee Choice Awards (ABECA) 2025, presented by Ambition Box.

Ranked **1** All Large Banks Category

Ranked **2** All Large Companies Category

ETHREX Awards

Equitas Bank won the Exceptional Employee Experience Award 2024- Large Scale Enterprises.

Equitas Bank's won W.E. Global Employees' Choice CEO Award.

Achieved global recognition at LACP Vision Awards 2023-24, ranked 30 among the Top 100 companies worldwide, earning Platinum and a special achievement for Best Report Financials.

Equitas Bank's won W.E. Global Employees' Choice **CEO** Award.

Equitas Bank's won the W.E. Global Employees' Choice **CHRO** Award.

Equitas Bank won the W.E. Global Employees' Choice **Workplace** 2024 Award.

Equitas Bank won the W.E. Global Employees' Choice Workplace – **Well Being** Award.

Equitas Bank won the W.E. Global Employees' Choice Workplace – **MEGA** Award.

Equitas Bank won the W.E. Global Employees' Choice Workplace – **Best Managers** Award.

Business Responsibility & Sustainability Report

At Equitas Small Finance Bank (also referred to as 'Equitas,' 'ESFB,' 'The Bank' or 'We'), our journey towards sustainability has entered a decisive new phase, one where each action is not just progress, but a purposeful leap towards long-term impact. Guided by this year's theme, **'NEXT: Where every step is a leap forward,'** we are advancing a future where responsible finance, inclusive growth, and environmental consciousness are seamlessly woven into our business model.

Central to this transformation is the Equitas ESG Policy 2025, which provides a clear and actionable framework to embed sustainability across our operations. Rooted in our belief that finance can be a powerful force for inclusive development, the policy defines our commitments to environmental stewardship, social equity, and robust governance. It outlines our strive towards net zero emissions, green financing, and empowering underserved communities through impactful healthcare, education, and livelihood initiatives. The policy also formalises our ESG governance structure, ensuring strategic alignment, continuous improvement, and integration with global standards such as the UN Sustainable Development Goals (UN SDGs).

Our Business Responsibility and Sustainability Report (BRSR) for 2024–25 reflects how this policy is being put into practice. In alignment with SEBI's BRSR framework and the National Guidelines on Responsible Business Conduct (NGRBC), this report provides transparent, measurable insights into our ESG performance for the year ended March 31, 2025. It evaluates our progress across the nine principles prescribed under Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, and captures our actions across defined focus areas such as emissions reduction, community engagement, and responsible lending.

As we move towards our 'Next', our ESG commitments are not just aspirations, they are the foundation of a resilient, inclusive, and sustainable future. This BRSR stands as a testament to our belief that every step forward must create meaningful value, for people, the planet, and the prosperity of generations to come.

Section A
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Section B
Page No. 78

Section C
Page No. 81

Principle 1	81
Principle 2	85
Principle 3	87
Principle 4	97
Principle 5	100
Principle 6	105
Principle 7	113
Principle 8	115
Principle 9	121

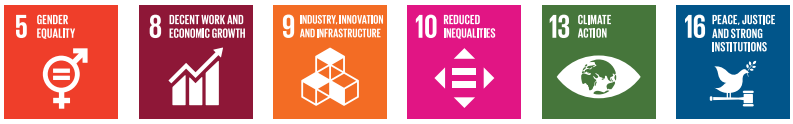
Value Research

Section A: General Disclosures

At Equitas, we are committed to conducting our business responsibly and transparently, in alignment with our mission to serve the underserved and unbanked. As a purpose-driven institution, we have embedded inclusive growth, ethical governance, and stakeholder accountability at the heart of our operations. Over the years, we have evolved from a pure-play microfinance institution into a stable, sustainable, and scalable retail-focussed bank, with over 88% of our portfolio now comprising secured lending. We continue to operate at the grassroots of the economy, catering to micro-entrepreneurs, small businesses, and individuals in rural and semi-urban areas, while mobilising deposits from mass and mass affluent segments.

In 2024–25, we further strengthened our structured policy framework by formally adopting a comprehensive ESG Policy to deepen our sustainability integration and enhance our BRSR disclosures.

SDGs Impacted



Linkage with the <IR> Components

- Corporate Overview
- Human Capital
- Financial Capital
- Risk Management

Linkage with the Stakeholders

- Customers
- Employees
- Shareholders
- Communities
- Value Chain Partners

VALUE RESEARCH PREMIUM

I. DETAILS OF THE LISTED ENTITY

1.	Corporate Identity Number (CIN) of the listed entity	L65191TN1993PLC025280
2.	Name of the listed entity	Equitas Small Finance Bank Limited
3.	Year of incorporation	1993
4.	Registered office address	4th Floor, Phase II, Spencer Plaza No. 769, Mount Road, Anna Salai, Chennai – 600 002, Tamil Nadu
5.	Corporate address	4th Floor, Phase II, Spencer Plaza No. 769, Mount Road, Anna Salai, Chennai – 600 002, Tamil Nadu
6.	Email	cs@equitasbank.com
7.	Telephone	+91 44 42995000
8.	Website	www.equitasbank.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Ltd.
11.	Paid-up capital	₹ 11,39,86,24,210
12.	Name and contact details (telephone, Email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. N. Ramanathan Company Secretary Telephone: +91 44 4299 5000 Email: cs@equitasbank.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	This report has been made on a standalone basis
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

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II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover)

S. no.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Financial and insurance services	Banking activities by central, commercial and savings banks	**100%**

17. Products/services sold by the entity (accounting for 90% of the entity's turnover)

S. no.	Product/service	NIC code	% of total turnover contributed
1.	Monetary intermediation services provided by commercial banks, savings banks, postal savings bank and discount houses.	**64191**	**100%**

www.valueresearchonline.com, www.valueresearchstocks.com

We offer a wide range of banking products designed to meet the diverse needs of individuals, businesses, and underserved segments. Our portfolio includes credit, deposit, and investment solutions, with a focus on financial inclusion, digital convenience, and sustainable growth.

Asset Products (Loan Offerings)

1. Small Business Loans (SBL)
2. Vehicle Financing
   i. Used Commercial Vehicle
   ii. New Commercial Vehicle
   iii. Used Passenger Car
   iv. New Passenger Car
3. Microfinance and MicroLoans
4. Affordable Housing Finance
5. MSE Finance
6. NBFC Finance
7. Others (Gold and Staff Loans, among others)

Liability Products (Deposit Offerings)

1. Savings Accounts (SA)
2. Current Accounts (CA)
3. Term Deposits
4. Lockers
5. Family Banking

Third-Party Products

1. Life Insurance Products (Traditional, Term, ULIP)
2. General Insurance Products (Motor, Fire, PA, Sachet)
3. Health Insurance Products (including SAHI Plans)
4. Mutual Funds (Lump Sum and SIP)
5. FASTag
6. 3-in-1 Account (Bank + Demat + Trading)

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III. OPERATIONS

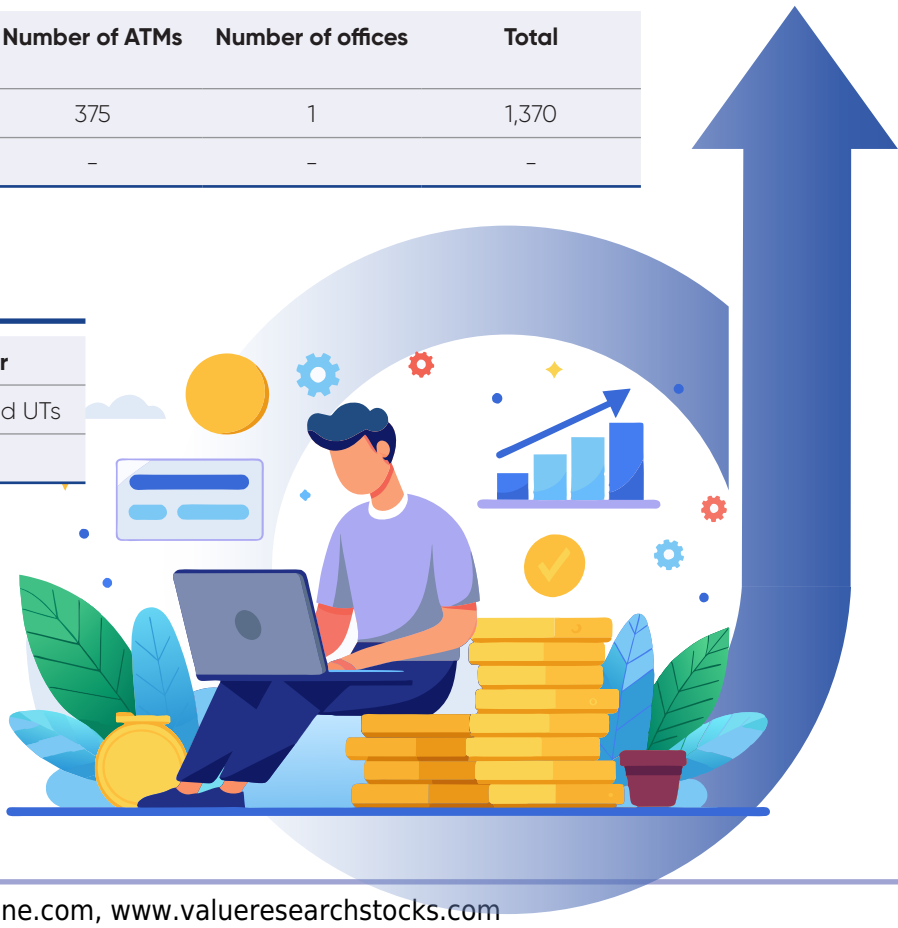
18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of banking outlets	Number of ATMs	Number of offices	Total
National	994	375	1	1,370
International	-	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	18 States and UTs
International (No. of countries)	0



b. What is the contribution of exports as a percentage of the total turnover of the entity?

We primarily operate within the domestic market and do not export any products or services. Therefore, this disclosure is not applicable to our business activities.

c. A brief on types of customers

We cater to a diverse set of customers across various segments, reflecting our commitment to inclusive and accessible banking. Our customer base includes:

1. **Children and senior citizens**, with products tailored to different life stages.
2. **Non-Resident Indians (NRIs)** seeking convenient and secure banking from abroad.
3. **Entrepreneurs and small business owners** requiring flexible financial solutions.
4. **Corporates** across industries with comprehensive banking and treasury services.
5. **Farmers**, supported through dedicated agricultural financing offerings.
6. **Trusts, Associations, Societies, and Clubs (TASC)**, with customised account and transaction solutions.
7. **Millennials and digitally savvy individuals**, served through our intuitive digital banking platforms.

We continue to evolve our offerings to meet the specific needs of each customer segment, ensuring financial empowerment and inclusion for all.

IV. EMPLOYEES

20. Details as at the end of financial year

a. Employees and workers (including differently abled)

Sr. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Employees				
1.	Permanent (D)	25,409	22,205	87.39%	3,204	12.61%
2.	Other than permanent (E)	21	15	71.43%	6	28.57%
3.	**Total employees (D + E)**	**25,430**	**22,220**	**87.38%**	**3,210**	**12.62%**
		Workers				
4.	Permanent (F)					
5.	Other than permanent (G)			NA		
6.	**Total workers (F + G)**					

b. Differently abled employees and workers

Sr. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Differently abled employees				
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**1**	**1**	**100%**	**0**	**0%**
		Differently abled workers				
4.	Permanent (F)					
5.	Other than permanent (G)			NA		
6.	**Total differently abled workers (F + G)**					

21. Participation/inclusion/representation of women

Board of Directors			Key Management Personnel		
Total (A)	No. and percentage of females		Total (A)	No. and percentage of females	
	No. (B)	% (B/A)		No. (B)	% (B/A)
11	1	9.09%	4	0	0%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

We maintain a focussed and proactive approach to employee retention through structured engagement, fair practices, and development-driven policies.

Key initiatives to manage and reduce turnover include:

1. Retention-Focussed Programmes: Loyalty Exercise, VALAR and GROW, and High Achiever's Club to reward consistent performance and support career progression.
2. Fair Pay and Equal Opportunity: Market-aligned compensation and clear promotion pathways ensure transparency and equity.
3. Bias Elimination: Regular sensitisation of HR and line managers through 'Train the Trainer' sessions and regional workshops on unbiased hiring and appraisal practices.
4. Inclusive Workplace Culture: Strong emphasis on respect, non-discrimination (across religion, gender, caste, language, appearance), and employee dignity.
5. Talent Attraction and Deployment: 'Hire-Train-Deploy' model and robust recruitment channels to build a quality talent pipeline.
6. Attrition Management: Weekly reviews, leadership field visits, structured exit interviews, and responsive redressal of concerns.
7. Employee Well-Being: Flexible work support, mental health resources, and emergency/crisis assistance to reduce stress-related exits.

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These combined efforts have contributed to enhanced employee engagement, lower attrition, and a stable, purpose-driven workforce.

	2024-25 (Turnover rate in current FY)			2023-24 (Turnover rate in previous FY)			2022-23 (Turnover rate in the Year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	34%	34%	34%	38%	38%	38%	40%	43%	40%
Permanent workers	-	-	-	-	-	-	-	-	-

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

As on date, we do not have any holding, subsidiary or associate companies.

VI. CSR DETAILS

24.

Our CSR efforts are rooted in the belief that true progress extends beyond banking. While financial inclusion remains central to our mission, we also focus on uplifting communities through impactful initiatives in health, education, and livelihood. By voluntarily dedicating 5% of our net profit to these causes, we reaffirm our commitment to driving meaningful change and fostering a more equitable and empowered society.

i. Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

ii. Turnover (in ₹):

₹ 7,223 Crore

iii. Net worth (in ₹):

₹ 6,073 Crore

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint was received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide a weblink to the grievance redress policy)	2024-25 (Current financial year)			2023-24 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
Communities	Yes (https://ir.equitasbank.com/wp-content/uploads/2025/04/Whistle-Blower-Policy.pdf)	0	0	-	0	0	-
Investors (other than shareholders)	Yes (https://ir.equitasbank.com/wp-content/uploads/2022/12/Whistle-Blower-Policy-v6.0.pdf)	0	0	-	0	0	-
Shareholders	Yes (https://ir.equitasbank.com/wp-content/uploads/2022/12/Whistle-Blower-Policy-v6.0.pdf)	2	0	-	4	0	-
Employees and workers	Yes (https://ir.equitasbank.com/wp-content/uploads/2022/12/Whistle-Blower-Policy-v6.0.pdf)	0	0	-	0	0	-
Customers	Yes (https://ir.equitasbank.com/wp-content/uploads/2022/12/Whistle-Blower-Policy-v6.0.pdf)	25,990	1,030		5,849	91	-
Value chain partners	Yes (https://ir.equitasbank.com/wp-content/uploads/2022/12/Whistle-Blower-Policy-v6.0.pdf)	0	0	-	0	0	-
Others	N/A	-	-	-	-	-	-

Value Research

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Opportunity Risk

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Business Continuity		Given the Bank's exposure to small-ticket loans, unplanned events like natural disasters, regulatory shifts, or market disruptions can jeopardise operational continuity	• Conducting comprehensive analysis • Diversification of products and geographies • Engaging with regulators and stakeholders proactively	**Negative:** Disruptions can lead to customer attrition, missed collections, and reputational and financial losses.
Product Innovation and Responsible Lending		Investment in technology-led lending products tailored for underserved segments enables scalable growth and improved risk-adjusted returns while maintaining customer responsibility and compliance.	NA	**Positive:** Expands customer base, improves profitability, and strengthens portfolio resilience.
Branding and Reputation		Negative customer experiences, reputational events, or lack of brand clarity can weaken stakeholder trust, impact customer acquisition and retention, and hinder access to capital or partnerships.	• Invest in consistent brand messaging and service delivery; monitor sentiment; address grievances promptly; align purpose-driven communication with actual practices	**Negative:** Reputational setbacks may lead to customer attrition, regulatory concerns, and increased cost of funds.

Value Research

VALUE RESEARCH PREMIUM

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
Employee Well-Being		Investing in employee well-being enhances productivity, morale, and retention, especially for frontline staff and in high-stress roles.	NA	**Positive:** Reduces absenteeism, boosts employee engagement, and strengthens organisational performance.
Values and Culture		A values-driven culture is fundamental to compliance, service quality, and ethical conduct. Misalignment may lead to governance lapses, fraud, or employee disengagement.	• Embedding values in performance systems, leadership communications, and employee recognition • Strengthening whistleblower systems	**Negative:** Poor culture can lead to reputational and regulatory risk, impacting financial stability.
Leadership Development and Succession		Absence of leadership pipelines can create continuity risks in strategic and risk management functions, affecting investor confidence and regulatory assessments.	• Institutionalising succession planning; nurture mid-management through structured mentorship and leadership programmes	**Negative:** Disruption to strategic initiatives and reduced institutional confidence during transitions.
Digital Transformation		Investment in scalable digital infrastructure enables operational efficiency, personalised offerings, and access to previously underserved geographies, especially Tier II and III markets.	NA	**Positive:** Lowers cost-to-income ratio, enhances customer acquisition, and improves service delivery at scale.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

At Equitas Small Finance Bank, our commitment to responsible business practices has long been anchored in a well-defined policy framework that guides our governance, ethical standards, and stakeholder engagement. Building on this foundation, we have also introduced a comprehensive Environmental, Social, and Governance (ESG) Policy during 2024-25 to deepen and formalise our sustainability agenda. This enhanced framework enables a more structured approach to identifying, managing, and monitoring material ESG risks and opportunities across the Bank. With dedicated oversight, cross-functional integration, and clearly articulated responsibilities, we are advancing towards a future where sustainability is seamlessly embedded into every decision and action.

Value Research

SDGs Impacted

Linkage with the <IR> Capital

- Governance

Linkage with the Stakeholders

- Employees
- Value Chain Partners

Sr. no.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
	To reinforce our commitment to integrity, transparency, and accountability, we have instituted a robust policy framework. These policies are designed to guide the conduct and decision-making of our employees, leadership, and stakeholders, fostering consistent alignment with the Bank's vision, values, and strategic priorities. List of policies: 1. Code of Conduct for Directors 2. Code of Conduct for Senior Managers 3. CSR Policy 4. Customer Rights Policy 5. Data Privacy 6. Dividend Distribution Policy 7. Familiarisation Programme 8. Policy on materiality of related party transactions 9. Policy on Remuneration 10. Retention and Archival of Documents Policy 11. Whistle Blower Policy 12. Environmental Social and Governance Policy									
1	1. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	2. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	3. Weblink of the policies, if available*	7, 8, 1, 2	12	9, 11, 12	11, 12	9, 11, 12	12	NA	3, 12	4, 5, 12
2	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	N	Y	Y	Y	Y	N	Y	Y
4	Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.					NA				
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.					NA				
6	Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.					NA				

Value Research

Sr. no.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Governance, leadership, and oversight										
7	**Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)** Please refer to the message from our MD & CEO on page number 10.									
8	**Details of the highest authority responsible for implementing and overseeing the Business Responsibility policy(ies).**				MD & CEO					
9	**Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.**				MD & CEO					

10 Details of review of NGRBCs by the Company:

Subject for review	Indicate whether the review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (annually/half yearly/ quarterly/any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against the above policies and follow-up action	Y	Y	Y	Y	Y	Y	N	Y	Y	The performance against the above policies and follow-up actions are reviewed at regular frequencies.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	N	Y	Y	All the applicable statutory and regulatory guidelines relevant to the principles are complied with..								

Value Research

11	Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		No, evaluations are conducted internally, and the Heads of Departments are responsible for ensuring effective policy implementation. The Bank's policies are periodically reviewed at both management and Board levels.								

12 If the answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)							Y		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)							-		
The entity does not have the financial or human and technical resources available for the task (Yes/No)							-		
It is planned to be done in the next financial year (Yes/No)							-		
Any other reason (please specify)							-		

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

01

PRINCIPLE

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

We place the highest importance on conducting our business with integrity, transparency, and accountability. Our Board and senior management champion a culture of ethical conduct, reinforced by a clear Code of Conduct, rigorous compliance systems, and zero tolerance for misconduct. We have put in place robust grievance redressal and whistle-blower mechanisms, regular audits, and ongoing employee training to ensure that all stakeholders – customers, employees, vendors, and regulators, can rely on us to act honestly and responsibly in every interaction.

Value Research

Impact on <IR> Components

- Human Capital
- Social and Relationship Capital
- Financial Capital
- Risks and Opportunities
- Governance

Stakeholders

- Employees
- Value Chain Partners

SDGs Impacted

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

We view learning and development as a continuous priority. Through our L&OD team, we deliver diverse training initiatives to ensure that all our people, including the Board and KMPs, are equipped with the knowledge and skills needed to make informed, value-driven decisions.

Segment	Total no. of training and awareness programmes held	Topics/principles covered under the training and impact	% of persons in respective category covered by the awareness programme
Board of Directors	11	P1	100%
Key Managerial Personnel	1	P1	67.00%
Employees Other than BOD & KMPs	7,832	P1, P2, P3, P4, P8 & P9	99.30%
Workers	NA	NA	NA

Value Research

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/fine	P1	Reserve Bank of India	₹ 65,00,000	Please refer to Schedule 18, Point 12 of the Notes forming part of the Financials	No
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA

	Non-Monetary		
NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	NA	NA	NA
Punishment	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details

We uphold a stringent Code of Conduct that unequivocally prohibits any form of corruption or acceptance of illegal gratification. Our policy mandates that employees refrain from using personal resources for activities that can be undertaken using the Bank's assets and strictly forbids any attempt to disguise bribes as payments, gifts, or business courtesies. Accepting gifts, entertainment, or incentives from current or potential customers or vendors is not permitted, and such courtesies, if received, are considered the property of ESFB and cannot be retained for personal use. Employees are also barred from accepting any gifts that could be perceived as bribes or that may influence their professional judgment.

To reinforce ethical governance, we have implemented a specific Code of Conduct for our Directors and Senior Management, ensuring the highest standards of integrity in managing the Bank's operations. This commitment to ethics and accountability is embedded in all stakeholder interactions from the very outset of their association with us.

The Code of Conduct can be accessed by clicking on the link mentioned below: available in the HR portal:

- Directors – ESFB-Policy-on-Code-of-Conduct-of-Directors-January-2021.pdf
- Senior Management – ESFB-Policy-for-Code-of-Conduct-for-Senior-Management-Jan-2021.pdf
- For employees – It is available in the HR portal

Value Research

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Number of complaints received in relation to issues of conflict of Interest of the Directors	0	0
Number of complaints received in relation to issues of conflict of Interest of the KMPS	0	0

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

   We did not encounter any instances of conflict of interest or corruption during the reporting period. Nonetheless, we remain fully prepared to address such challenges, should they arise, through well-established policies and procedures designed to ensure timely, diligent, and transparent resolution.

8. **Number of days of accounts payables ((Accounts payable *365)/Cost of goods/services procured) in the following format:**

2024-25 (Current financial year)		2023-24 (Previous financial year)	
Number of days of accounts payables	16	Number of days of accounts payables	27

9. **Open-ness of business**

   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2024-25 (Current financial year)	2023-24 (Previous financial year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of sales	a. Sales to dealers/distributors as % of total sales		
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors		
Share of RPTs in	a. Purchases (Purchases with related parties/Total purchases)		
	b. Sales (Sales to related parties/Total sales)		
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)		
	d. Investments (Investments in related parties/Total investments made)		

Leadership Indicators

1. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

   Yes.

   Our governance framework is anchored in strong ethical foundations, including a well-defined Code of Conduct for Directors and a rigorous policy on material-related party transactions. These protocols are designed to pre-empt and address conflicts of interest, ensuring decisions are made with fairness and objectivity. Directors are required to declare any potential conflicts at the start of Board meetings and refrain from participating in related discussions, fostering accountability at the highest levels.

   During 2024-25, no instances of conflict of interest or corruption were reported. However, we remain fully equipped with robust mechanisms to address such matters swiftly and transparently, should they arise.

02 PRINCIPLE

Businesses should provide goods and services in a manner that is sustainable and safe

As a service-oriented financial institution, our operations inherently have a low environmental footprint. However, at Equitas, while our direct resource consumption is limited, we are committed to adopting practices that minimise environmental impact, promote operational safety, and align with long-term sustainability goals. We remain fully compliant with applicable environmental regulations and strive to go beyond compliance by embedding sustainability considerations into our infrastructure, digital processes, and stakeholder engagement.

Value Research

Impact on <IR> Components

- Service Capital
- Social and Relationship Capital
- Financial Capital

Stakeholders

- Customers
- Government and Regulators
- Value Chain Partners

SDGs Impacted

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

NGRBC principle	2024-25	2023-24	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	NA	NA	NA

2. a. **Does the entity have procedures in place for sustainable sourcing (Yes/No)**

   No. Given the nature of our business, we do not rely on physical goods or raw materials in our core operations. Our material dependencies are largely confined to office facilities, administrative essentials, and IT infrastructure and services. Even with limited procurement needs, we place emphasis on responsible sourcing and strive to ensure that our vendors and service providers align with our ethical and sustainability standards.

   b. **If yes, what Percentage of inputs were sourced sustainably?**

   NA.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   NA.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   NA.

03 PRINCIPLE

Businesses should respect and promote the well-being of all employees, including those in their value chains

At Equitas Small Finance Bank, we are committed to fostering a supportive, inclusive, and empowering workplace where employee well-being and growth take centre stage. In 2024–25, we enhanced our human capital strategies to align with business expansion and regulatory changes, introducing focussed initiatives in leadership development, wellness, talent retention, and diversity. From structured upskilling programmes and ethical conduct campaigns to health-focussed benefits and inclusive workplace practices, we continue to invest in creating a safe, engaging, and future-ready environment for our employees and those across our value chain.

Value Research

Impact on <IR> Components

Human Capital

Stakeholders

Employees

Value Chain Partners

Government and Regulators

SDGs Impacted

Empowering People, Enabling Purpose

At Equitas, our culture is central to our identity and progress. In 2024–25, we strengthened this foundation by aligning our human capital practices with the Bank's evolving business and regulatory landscape.

We nurture a vibrant, inclusive, and high-performance culture through a multi-dimensional approach:

1 Leadership Advocacy: Senior leaders actively promote cultural values across internal forums.

2 Culture Champions: Peer influencers drive deeper cultural engagement by modelling core behaviours.

3 Communication and Training: Initiatives like Aarambh, Did You Know, and Sanskriti reinforce value-based conduct.

4 Recognition and Rewards: Programmes such as High Five Champion and Value Victor celebrate exemplary behaviour.

5 Employee Engagement: Wide range of initiatives focussed on holistic health, well-being, and creative engagement (e.g., health camps, fitness challenges, festival celebrations, R&R ceremonies, Branch Family Day).

6 Strategic Design: All engagement programmes are designed to deliver an ideal employee experience that supports the Bank's growth goals.

7 Multi-Channel Communication: Engagement efforts are communicated via HR Connect Mail, calls, SMS, WhatsApp, MS Teams, and HRMS Work Groups, among others.

8 External Recognition: Ranked #1 in the Ambition Box Employee Choice Awards 2024 under Large Banking and Large Companies categories.

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	22,205	22,205	100%	22,205	100%	0	0	22,205	100%	22,205	100%
Female	3,204	3,204	100%	3,204	100%	3,204	100%	0	0	3,204	100%
Total	25,409	25,409	100%	25,409	100%	3,204	12.61%	22,205	87.39%	25,409	100%
Other than permanent employees											
Male	15	4	27%	4	27%	0	0	0	0	0	0
Female	6	1	17%	1	17%	0	0	0	0	0	0
Total	21	5	44%	5	44%	0	0	0	0	0	0

b. Details of measures for the well-being of workers

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NA										
Female											
Total											
Other than permanent workers											
Male	NA										
Female											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

2024-25 (Current financial year)		2023-24 (Previous financial year)	
Cost incurred on well-being measures as a % of total revenue of the Company	0.78%	Cost incurred on well-being measures as a % of total revenue of the Company	0.69%

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2. Details of retirement benefits, for current FY and previous financial year

Benefits	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Not deducted from the employee but deposited with the authority	100%	NA	Not deducted from the employee but deposited with the authority
ESI	0	NA	NA	0	NA	NA
Others – please specify	NA	NA	NA	NA	NA	NA

3. **Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, to enhance accessibility for differently abled employees and customers, a feasibility study was conducted by our Infrastructure (Administration) team. Based on the findings, ramps have been installed at locations where feasible, in alignment with our commitment to creating an inclusive and accessible environment.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

No.

While we do not have a standalone Equal Opportunity Policy under the Rights of Persons with Disabilities Act, 2016, our Code of Conduct upholds strong principles of equality and non-discrimination. We ensure fair treatment for all individuals, regardless of background or ability, and continue to enhance our internal frameworks to promote an inclusive and respectful workplace.

5. **Return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99%	100%	NA	NA
Female	66%	100%	NA	NA
Total	94%	100%	NA	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Yes, we have a clearly defined Grievance Redressal Mechanism applicable to all categories of employees.

The mechanism is structured in a multi-tiered escalation format to ensure timely and impartial resolution of grievances. An employee can initially raise a grievance with their reporting manager or Regional HR either orally or in writing. If unresolved within 5 working days, the grievance is escalated progressively to the second-level manager, then to the functional head, and subsequently to the Grievance Redressal Officer via a designated Email ID (grievance@equitasbank.com), with each level having a resolution timeline of 3–7 working days.

If still unresolved, the grievance is reviewed by the Grievance Redressal Committee and, if necessary, escalated to the Managing Director, whose decision is final and binding. All grievances are documented and tracked, with quarterly reports submitted to the Managing Director, ensuring accountability and transparency in the process.

Gender	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	NA
Other than permanent workers	NA
Permanent employees	Yes
Other than permanent employees	Yes

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VALUE RESEARCH PREMIUM

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

None of our employees are members of associations or unions. However, we regularly engage with our workforce to encourage open communication and address grievances.

Employee engagement initiatives are integral to our organisational culture, fostering a supportive environment where feedback is valued. Through various initiatives, we prioritise connecting with our employees to ensure their well-being, satisfaction, and active participation in shaping our workplace.

- Onboarding Call: Within the first 30 days of joining, our HR team personally connects with new employees to ensure they are comfortable in their roles. This initiative is highly valued as it aids in their adjustment to the new environment and role, fostering a proactive approach to addressing any concerns.
- Branch Visits: Through our Connect Programme, our HR team visits branches nationwide annually, engaging with employees to provide solutions and promote collaboration across functions.
- Feedback Channels: We actively seek employee feedback through audio bridges, enabling direct communication of views, ideas, and feedback to senior management. These channels enhance employee engagement and contribute to a culture of open communication and continuous improvement.

Additionally, effective communication is crucial to ensuring that our initiatives achieve their intended goals. To facilitate timely and precise communication, we utilise a variety of channels, including calls, HR Connect Mail, SMS, WhatsApp, MS Teams, and HRMS Work Groups. These channels help us keep our employees informed and engaged.

Category	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Total employees/ workers in the respective category (A)	No. of employees/ workers in the respective category who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in the respective category (C)	No. of employees/ workers in the respective category who are part of association(s) or Union(D)	% (D/C)
Total permanent employees						
Male						
Female						
Total permanent workers						
Male						
Female						

NA

8. Details of training given to employees and workers:

At Equitas, we focus on building a future-ready workforce through continuous learning and targeted skill development. In 2024–25, we introduced a variety of training programmes to enhance functional expertise, leadership readiness, and behavioural competencies across roles and levels.

Key initiatives included:

1. External learning opportunities for CXOs and senior leaders on emerging technologies, ESG, and regulatory trends.
2. Skill-building workshops on product management, core banking systems, data analytics (Power BI), fraud prevention, Forex management, and audit efficiency.
3. Leadership-focussed programmes such as:
    a. **Leader's Edge** for asset leadership development
    b. **RCC Training** on operational risk and compliance
    c. **1000 Women Leaders Programme** for developing high-potential women professionals
4. Behavioural modules covering Resilience Mindset, Winning Habits, and Result-Focussed Leadership for individual contributors and managers.
5. System and application training on platforms like MS Dynamics CRM, Hetra LOS, and Newgen to improve operational proficiency.

Division-specific interventions:

1. **INSPIRE, Sutradhar**, and **Samadhan** to support onboarding, team engagement, and retention in the Assets vertical.
2. **ELEVATE** programme for Branch Managers in Liabilities, focussing on business growth and people management.

Impact and Leadership Development:

We measure the effectiveness of our training through performance improvements, feedback, and business outcomes.

1. Programmes like ELEVATE and Sutradhar led to improved branch ratings and smoother onboarding, respectively.
2. Samadhan helped address attrition risks through targeted engagement with employees serving notice.
3. System trainings improved productivity, reduced errors, and enhanced loan processing metrics.

Our structured Leadership Development Programme (LDP) continues to nurture high-potential talent using a framework based on Ambition, Ability, and Adaptability. Customised development plans focus on domain expertise, strategic exposure, and behavioural coaching.

Notable leadership outcomes included:

1. Internal transitions to national business roles
2. Promotions to Zonal Business Head positions
3. Establishment of a new Cross-Sell vertical led by an experienced leader to drive synergy across product lines

Category	2024-25 (Current financial year)					2023-24 (Previous financial year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	22,205	2,953	13%	22,070	99.40%	19,915	1,170	6%	19,180	96%
Female	3,204	782	24%	3,168	99.00%	2,939	495	17%	2,828	96%
Total	25,409	3,735	15%	25,238	99.30%	22,854	1,665	7%	22,008	96%
Workers										
Male	NA									
Female										
Total										

9. Details of performance and career development reviews of employees and workers:

We place strong emphasis on developing our internal talent and preparing them for future leadership roles. We conduct regular performance reviews to identify high-potential individuals and support their growth through tailored learning and development programmes. Our initiatives such as VALAR CEP, VALAR PET, Potential Hero, and S.T.A.R. are designed to facilitate career advancement, enhance capabilities, and build a future-ready workforce aligned with our values of fairness, transparency, and performance excellence.

Benefits	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	22,205	16,625	75%	19,915	15,416	77%
Female	3,204	2,537	79%	2,939	2,257	77%
Total	25,409	19,162	75%	22,854	17,673	77%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes.

Equitas Small Finance Bank has implemented several measures to ensure a safe and healthy working environment across all locations. A dedicated Emergency Response Team (ERT) is in place, with trained personnel equipped to manage on-site emergencies. Regular fire drills are conducted to familiarise employees with safety protocols during fire-related incidents. In addition, to combat seasonal illnesses like the flu, preventive measures such as temperature checks, hand sanitisers, and mandatory masks for symptomatic individuals have been introduced at all branches and offices. These practices collectively form part of our workplace safety framework, ensuring preparedness and protection for employees.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At Equitas, we maintain a proactive approach to workplace safety through structured feedback mechanisms and preventive practices. Our 'Voice of Employee' initiative provides a direct channel for employees to report any workplace issues, including safety hazards, by writing to voiceofemployee@equitasbank.com. These concerns are reviewed and addressed promptly to mitigate risk. Additionally, for field staff, many of whom use two-wheelers, precautionary checks are in place to ensure possession of valid driving licences, along with regular reminders to use safety gear such as helmets. These combined efforts help us identify, assess, and address both routine and non-routine work-related risks effectively.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes.

Equitas has established clear and accessible channels, such as the 'Voice of Employee' platform, to allow employees to report work-related hazards. Employees are encouraged to raise concerns without fear of reprisal, and necessary actions are taken promptly to mitigate risks. They are also empowered to withdraw from situations that present a threat to their health or safety, ensuring their well-being is never compromised.

Value Research

d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes.

The Bank offers a wide range of non-occupational medical and wellness services to promote the holistic well-being of employees. This includes Group Medical Coverage (GMC) top-ups and Corporate Buffer for financial support during hospitalisation, comprehensive health check-ups for employees aged 40+, on-desk wellness camps, vaccination drives, and OPD plan coverage (including dental and vision care). Mental health support is provided through a 24/7 Employee Assistance Programme (EAP). Additional wellness tools such as RoundGlass Living and Alyve Health apps offer digital access to fitness coaching, doctor consultations, yoga, diet plans, and mental health resources, ensuring both physical and emotional well-being.

VALUE RESEARCH PREMIUM

11. Details of safety related incidents, in the following format:

Safety incident/Number	Category	2024-25 (Current financial year)	2023-24 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	11	21
	Workers	NA	NA
No. of fatalities	Employees	6	11
	Workers	NA	NA
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

In 2024–25, we reinforced our commitment to employee well-being through a variety of targeted physical, mental, and emotional health initiatives. While we do not have a standalone health and safety policy, all our initiatives are designed in alignment with World Health Organization (WHO) health days and reflect our proactive approach to workplace wellness.

Our key initiatives included:

1. Health & Wellness Calendar: A year-round engagement plan with wellness activities, expert talks, and contests mapped to WHO calendar days.
2. Group Medical Coverage (GMC): Insurance top-up and corporate buffer support during hospitalisation, ensuring financial protection during health emergencies.
3. Comprehensive Health Check-ups: Annual master health screenings for employees aged 40+, covering key diagnostics and physician consultations.
4. Preventive & On-Site Care:
   i. Wellness camps and doctor consultations with BP, blood sugar, and BMI checks
   ii. Vaccination drives and blood donation camps for proactive health and community impact
5. Fitness and Lifestyle Engagement:
   i. Team Steps Challenge, Dream Runners Half Marathon sponsorships
   ii. Yoga-at-desk sessions, Tai Chi and self-defence workshops
   iii. CPR training sessions on World Heart Day
6. Medical & Financial Assistance:
   i. OPD plan coverage including in-clinic and at-home diagnostics, vision, and dental care
   ii. Partnership with Apollo Pharmacy for discounts on medicines and lab tests
   iii. 0% interest medical emergency loans to support physical and mental well-being
7. Mental Health & Digital Wellness:
   i. 24x7 Employee Assistance Programme (EAP) extended to families, supporting stress, grief, workplace challenges, and more
   ii. Access to RoundGlass Living Platform for breathwork, meditation, healthy recipes, and music therapy
   iii. Alyve Health App providing doctor-on-call, counselling, diet planning, yoga, and fitness services
8. Awareness Initiatives:
   i. Cancer awareness talks, stress management sessions, and educational drives throughout the year

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13. Number of complaints on the following made by employees and workers:

Benefits	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	0	0	NA	0	0	NA
Health & safety	0	0	NA	0	0	NA

14. Assessments for the year:

Gender	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0
Working conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

NA.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of the death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees – Yes.

(B) Workers – NA.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

NA.

3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Benefits	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2024-25 (Current financial year)	2023-24 (Previous financial year)	2024-25 (Current financial year)	2023-24 (Previous financial year)
Working conditions	6	11	NA	NA
Health & safety				

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes.

We support smooth career transitions through initiatives such as a Sabbatical Policy for women and the extension of tenure for essential roles, which may continue on a contract or consultancy basis, depending on role requirements, promoting continued employability and workforce flexibility.

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04 PRINCIPLE

Businesses should respect the interests of and be responsive to all their stakeholders

Active and inclusive stakeholder engagement is key to building trust, driving shared value, and ensuring long-term sustainability. We maintain continuous dialogue with a diverse set of stakeholders, including customers, employees, investors, regulators, and communities, to understand their expectations and respond with accountability and transparency. By embedding stakeholder feedback into our decision-making processes, we are able to align our strategies with evolving needs and social priorities, fostering outcomes that are both responsible and impactful.

Value Research

Impact on <IR> Components

- Human Capital
- Social and Relationship Capital

Stakeholders

- Customers
- Government and Regulators
- Investors
- Suppliers
- Employees
- Local Communities

SDGs Impacted

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   We believe that engaging with our stakeholders meaningfully is essential to our long-term success. We follow a structured and strategic approach to identify and prioritise key stakeholder groups, guided by the principles of inclusivity, transparency, and proactive communication.

   To do this, we have adopted a five-step process:

   1. **Reviewing our stakeholder universe:** We start by mapping all individuals and groups who are impacted by or have an impact on our business.
   2. **Clarifying the purpose of engagement:** We understand the rationale for identifying each group and what role they play in our operations and strategic goals.
   3. **Assessing influence and impact:** We evaluate how much influence stakeholders have on our decisions, policies, and performance.
   4. **Understanding stakeholder expectations:** We consider their interests, concerns, and what they expect from our business.
   5. **Prioritising stakeholders:** Based on our assessment, we prioritise the stakeholder groups that are most critical to our sustainability and value creation journey.

   This process helps us stay aligned with our stakeholders' evolving needs and reinforces our commitment to building trusted, long-term relationships.

Value Research

VALUE RESEARCH PREMIUM

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (annually/half yearly/quarterly/ others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Communities	Yes, 100% of the communities are identified as marginalised and vulnerable.	Meetings, awareness sessions, need assessments, review, and monitoring job fairs and workshops	Regularly	Developing communities and promoting financial and social inclusion
Investors and shareholders	No	Email, newspapers, quarterly reports, press releases, websites, investor conferences, and analyst meets, earnings call, branch visits	Quarterly/Need Based	Financial results, AGM, dividend intimation, fund raise Intimation, merger/ demerger intimation, Company guidance and strategy
Employees	NA	Channels for reaching out to employees include E-mail, SMS, WhatsApp, workgroups (available in the HRMS portal), notice boards placed at work locations, audio bridge calls, one-on-one meetings through branch visits with leaders, HR, and MS Teams (video connect)	Others: Communication happens as and when need arises	Amendment to a change in the existing policy or implementation of a new policy, change in leadership roles, benefits extended to employees, information regarding the closure of the trading window, BCP during natural calamities, and IT security
Customers	Yes, a segment of customers may be considered marginalised	On-ground hoardings, online platforms, direct interactions, and branch meetings	Monthly branch meetings, periodic customer location visits, and quarterly online conferences	Enhancing product awareness, gathering feedback on services, and addressing customer expectations
Value chain partners	No	Emails, meetings, and phone calls	Ongoing and need-based	Product, service, and technology quality and support; contract commercial and technical terms and conditions
Regulatory bodies	No	Regulatory filings, compliance statements, meetings, and Emails	Need-based	License request and renewal, compliance with filings and other regulatory requirements, participation in government financial sector plans and programmes

Value Research

05 PRINCIPLE

Businesses should provide goods and services in a manner that is sustainable and safe

At Equitas, we are committed to delivering financial products and services in a manner that is both sustainable and responsible, with a strong emphasis on customer safety, ethical conduct, and human rights. Our Fair Practices Code and Employee Code of Conduct lay down clear principles to ensure transparency, fairness, and dignity in every interaction. We continuously work towards building secure, inclusive, and trustworthy systems, both physical and digital, that protect customer interests and foster long-term well-being. As we progress in our 'Next' journey, we remain steadfast in upholding the highest standards of safety, service integrity, and social responsibility.

Value Research

Impact on <IR> Components

Human Capital

Social and Relationship Capital

Governance

Stakeholders

Employees

Suppliers

SDGs Impacted

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format:

We are committed to fostering a workplace built on inclusivity, dignity, and respect for human rights. To support this, we conduct structured training programmes that educate our employees on their rights, responsibilities, and the Bank's policies, reinforcing our zero-tolerance stance on discrimination and our commitment to equal opportunity for all, regardless of caste, creed, religion, gender, or ethnicity.

In 2024–25, we further strengthened our ethics and compliance culture through the 'Ethical Excellence Journey', which included awareness campaigns, visual guides, and interactive quizzes on ethical behaviour. Through the 'Equitas Way', we shared real-life ethical scenarios to guide decision-making, and introduced role-specific behavioural standards aligned with our core values across key business segments.

These efforts reflect our belief that a diverse, respectful, and ethically grounded workplace is essential to driving sustainable success.

Category	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	25,409	23,244	92%	22,854	21,543	94%
Other than permanent	21	0	NA	19	0	NA
Total employees	**25,430**	**23,244**	**92%**	**22,873**	**21,543**	**94%**
Workers						
Permanent						
Other than permanent			NA			
Total workers						

2. Details of minimum wages paid to employees and workers in the following format:

Category	2024-25 (Current financial year)					2023-24 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	22,205	0	NA	22,205	100%	19915	0	NA	19915	100%
Female	3,204	0	NA	3,204	100%	2,939	0	NA	2,939	100%
Other than permanent										
Male	15	0	NA	15	100%	17	0	NA	17	100%
Female	6	0	NA	6	100%	2	0	NA	2	100%

Category	2024-25 (Current financial year)					2023-24 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent	NA									
Male										
Female										
Other than permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

Male		Benefits	Female	
Number	Median remuneration/ salary/wages of the respective category		Number	Median remuneration/ salary/wages of the respective category
10	10,00,000	Board of Directors (BoD)	1	10,00,000
4	2,04,72,213	Key Managerial Personnel	0	0
22,201	3,57,249	Employees other than BoD and KMP	3,204	3,42,663
NA		Workers	NA	

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

2024-25 (Current financial year)		2023-24 (Previous financial year)	
Gross wages paid to females as % of total wages	9.63%	Gross wages paid to females as % of total wages	8.49%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

At Equitas, human rights-related concerns, including misconduct or violations, are addressed through a structured internal framework. The responsibility lies with designated focal points, including the Disciplinary Committee and Appellate Authority, supported by departments such as Vigilance, Risk Containment Unit (RCU), Regional Operations Managers (ROMs), HR, and Functional/Business Heads (SVP level and above). Investigations are conducted by a competent Investigating Officer (IO) from any of these departments, depending on the nature of the issue. This multi-tiered structure ensures accountability and timely resolution of human rights-related matters across the organisation.

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VALUE RESEARCH PREMIUM

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Respect for human rights is embedded in our culture, Code of Conduct, and policies. Through these grievance mechanisms, we ensure every employee feels heard, respected, and supported, reflecting our deep commitment to fairness, equity, and dignity in the workplace.

We have put in place a structured and transparent grievance redressal system to ensure that all employee concerns are addressed fairly and promptly.

1. Any employee with a grievance can raise it with their first-level supervisor or Regional HR Manager, either orally or in writing.
2. If the issue remains unresolved or involves the supervisor, it can be escalated to the second-level supervisor, and subsequently to the respective Functional Head. Each level is expected to respond within five working days.
3. If the matter still remains unresolved, employees can write to us at grievance@equitasbank.com. The Grievance Redressal Officer, in consultation with the Grievance Redressal Committee, will provide a resolution within one week.
4. As a final step, the employee can escalate the issue to our Managing Director, who will respond within two weeks. The resolution provided at this stage is final and binding.

6. Number of complaints on the following made by employees and workers:

Category	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment	18	3	NA	21	2*	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child labour	0	0	NA	0	0	NA
Forced labour/Involuntary labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights-Related issues	0	0	NA	0	0	NA

**Pending complaints as on March 31, 2024, have since been closed*

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

We are fully committed to ensuring a safe and respectful workplace, and we follow the guidelines under the Prevention of Sexual Harassment (POSH) Act.

1. We have constituted an Internal Complaints Committee (ICC) to handle complaints of sexual harassment.
2. Any woman employee who has experienced harassment can file a complaint in writing or Email us at nirbhaya@equitasbank.com, ideally within three months of the incident.
3. Our ICC members help if a complaint cannot be made in writing, and may allow time extensions in genuine cases.
4. If the complainant is unable to report due to physical or mental incapacity, their legal heir or authorised person may file the complaint.

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5. Once the inquiry is complete, the ICC submits its findings to us within 10 days. We act on these recommendations within 60 days.
6. We strictly maintain confidentiality throughout the process, ensuring that identities and details are protected at all times.
7. In rare cases where a complaint is proven to be malicious, the ICC may recommend appropriate disciplinary action, though we ensure no action is taken solely due to lack of evidence.

Safety incident/Number	2024-25 (Current financial year)	2023-24 (Previous financial year)
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	18	21
Complaints on POSH as a % of female employees/workers	0.6%	0.7%
Complaints on POSH upheld	12	19

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We uphold a strict policy on maintaining the confidentiality of complaints related to harassment and discrimination. Details such as the identities and locations of the aggrieved individual, respondent, and witnesses, as well as information regarding conciliation and inquiry proceedings, recommendations from the Internal Complaints Committee (ICC), and actions taken by management, are treated as strictly confidential and cannot be disclosed to anyone under any circumstances. However, information about the resolution attained for any victim under this policy may be shared, ensuring anonymity by refraining from disclosing any details that could potentially identify the aggrieved individual or witnesses.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, we embed human rights principles into our business agreements and contracts. Our policies and Code of Conduct reflect our strong commitment to respecting and protecting human rights across all stakeholder interactions.

10. Assessments for the year:

Safety incident/Number	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	NA
Forced/involuntary labour	NA
Sexual harassment	NA
Discrimination at workplace	NA
Wages	NA
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

NA.

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06 PRINCIPLE

Businesses should respect and make efforts to protect and restore the environment

We recognise our responsibility to protect and preserve the environment, even as a service-oriented institution with limited direct ecological impact. Guided by our ESG Policy, we strive to embed environmental sustainability into our operations through energy-efficient infrastructure, responsible resource consumption, digitalisation, and waste reduction initiatives. Our focus includes promoting green practices, enhancing climate resilience, and encouraging environmentally conscious behaviour across our value chain. As we advance on our sustainability journey, we remain committed to minimising our environmental footprint and supporting the transition to a low-carbon, resource-efficient future.

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Impact on <IR> Components

External Environment

Natural Capital

Stakeholders

Local Communities

Government and Regulators

Value Chain Partners

SDGs Impacted

Policy Framework

At Equitas, our commitment to sustainable and inclusive growth is reinforced by a robust Micro and Small Enterprises (MSE) Policy Framework, which now aligns closely with our overarching Environmental, Social and Governance (ESG) Policy. This framework embeds environmental and social risk considerations directly into the loan application and evaluation process for micro and small enterprises, ensuring that credit decisions support responsible and resilient business practices.

As part of our ESG-led operational culture, we actively encourage employees to adopt environmentally conscious practices such as Email-based communication and digital document storage. These efforts improve operational efficiency while significantly reducing paper usage.

In line with our objective to lower environmental impact and promote digital inclusion, we offer our microfinance customers with a QR code-based digital solution, the Pragati Card. This Card replaces traditional sticker-based collections and also functions as a digital passbook, enhancing convenience and sustainability.

Further advancing our ESG agenda, we continue to promote paperless banking solutions such as Email statements, Internet and mobile banking, e-wallets, and electronic toll collection. Our digital ecosystem is supported by innovations like:

1. The Loan Origination System (Hetra) to streamline processes and reduce paper use.
2. Green PIN technology for secure and paper-free debit card activation.

Together, these initiatives demonstrate our commitment to operational excellence, environmental stewardship, and inclusive digital finance, core pillars of our ESG Policy.

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VALUE RESEARCH PREMIUM

Essential Indicators

1. Details of total energy consumption (in joules or multiples) and energy intensity in the following format:

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
From renewable sources (in GJ)		
Total electricity consumption (A)	NA	
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A + B + C)		
From non-renewable sources (in GJ)		
Total electricity consumption (D)	6,761.44	4,755.75
Total fuel consumption (E)	1,73,629.03	1,66,732.54
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D + E + F)	**1,80,390.46**	**1,71,488.29**
Total energy consumed (A + B + C + D + E + F)	**1,80,390.46**	**1,71,488.29**
Energy intensity per rupee of turnover (Total energy consumption/Revenue from operations)	0.00000286	0.00000314
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.00005905	0.00006408
Energy intensity in terms of physical output (Total energy consumed/employee)	81.96	91.51
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA.

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3. Provide details of the following disclosures related to water in the following format:

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	3,43,305.00	3,08,785.50
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**3,43,305.00**	**3,08,785.50**
Total volume of water consumption (in kilolitres)	**3,43,305.00**	**3,08,785.50**
Water intensity per rupee of turnover (Water consumed/Revenue from operations)	0.000005	0.000006
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.000112	0.000115
Water intensity in terms of physical output	13.50	13.50
Water intensity in terms of physical output (KL/employee)	NA	NA

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Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No.

4. Provide the following details related to water discharged:

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
No treatment		
With treatment – please specify level of treatment		
(ii) To groundwater		
No treatment	NA	
With treatment – please specify level of treatment		
(iii) To seawater		
No treatment		
With treatment – please specify level of treatment		

VALUE RESEARCH PREMIUM

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
(iv) Sent to third parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others	NA	
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NA.

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:

Parameter	Please specify unit	2024-25 (Current financial year)	2023-24 (Previous financial year)
NOx			
SOx			
Particulate Matter (PM)			
Persistent Organic Pollutants (POP)		NA	
Volatile Organic Compounds (VOC)			
Hazardous Air Pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No.

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7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and their intensity in the following format:

Parameter	Unit	2024-25 (Current financial year)	2023-24 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,365.43	960.40
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	16,738.30	16,073.46
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)		0.00000029	0.00000031
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)		0.00000593	0.00000637
Total Scope 1 and Scope 2 emission intensity in terms of physical output		8.23	9.09
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

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Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, we have undertaken several initiatives aimed at reducing our greenhouse gas emissions and fostering environmental stewardship. Guided by our Environmental, Social and Governance (ESG) Policy, we focus on energy efficiency, digitisation, and sustainable operational practices. Key measures include:

1. Optimising HVAC run-time to conserve energy.
2. Replacing conventional lighting with energy-efficient CFLs and LED fixtures.
3. Procuring office equipment that meets energy-saving standards.
4. Transitioning to digital operations, such as electronic board and committee papers, to minimise paper usage.
5. Implementing digital loan origination systems to reduce the environmental footprint and enhance customer convenience.
6. Adopting paperless banking technologies like tablets, video banking, and video KYC, which reduce the need for branch visits and help lower associated emissions.

These actions align with our broader commitment to climate action, as outlined in our ESG Policy, which advocates for operational excellence that minimises adverse environmental impacts.

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9. Provide details related to waste management by the entity, in the following format:

Parameter	2024-25 (Current financial year)	2023-24 (Previous financial year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	NA	NA
E-waste **(B)**	15.25	8.76
Bio-medical waste **(C)**	NA	NA
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	NA	NA
Radioactive waste **(F)**	NA	NA
Other hazardous waste. Please specify, if any. **(G)**	NA	NA
Other non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A + B + C + D + E + F + G + H)	**15.25**	**8.76**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0000000002	0.0000000002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.0000000050	0.0000000033
Waste intensity in terms of physical output	0.0006	0.0004
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	13.73 (e-waste)	8.76 (e-waste)
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**13.73** (e-waste)	**8.76** (e-waste)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency.

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a service-based financial institution, our operations have minimal dependency on hazardous materials. However, we recognise our responsibility to manage waste effectively and reduce environmental risks. Our waste management practices are aligned with the principles outlined in our ESG Policy and include the following:

1. Collaboration with municipal authorities for the safe disposal of general waste such as paper and dustbin liners.
2. Engaging authorised vendors for responsible e-waste disposal, ensuring compliance with environmental regulations.
3. Reducing plastic usage by switching to sustainable alternatives across our branches and offices.

In line with our digital-first approach, we have significantly curtailed paper consumption by shifting key processes to electronic platforms:

1. Customer onboarding is now done through mobile devices and e-KYC, integrated with the NSDL platform.
2. Loan agreements are digitally signed, removing the need for physical documentation.
3. In our microfinance operations, 100% of new customer onboarding is conducted via e-KYC, with e-signature adoption reaching 80–90%.

This transition to paperless processes not only improves accuracy and operational efficiency but also supports our sustainability goals by reducing resource usage and waste generation.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Equitas does not have any offices situated in or near ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year

NA.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Bank adheres to all relevant environmental laws/regulations/guidelines in India.

Value Research

Leadership Indicators

1. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	2024-25 (Current financial year)	2023-24 (Previous financial year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	tCO_2e	249.99	Not reported
Total Scope 3 emissions per rupee of turnover	tCO_2e/Rupee of turnover	0.0000000040	Not reported
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

07 PRINCIPLE

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

We engage with public policy and industry platforms in a responsible, transparent, and constructive manner. Our participation in trade bodies, industry associations, and collaborative forums enables us to contribute meaningfully to policy discussions, share sectoral insights, and stay aligned with regulatory developments. We also work closely with government agencies, academic institutions, and peer organisations to address broader social and environmental challenges, reinforcing our commitment to ethical advocacy and inclusive growth.

Value Research

Impact on <IR> Components

External Environment

Social and Relationship Capital

Stakeholders

Government and Regulators

SDGs Impacted

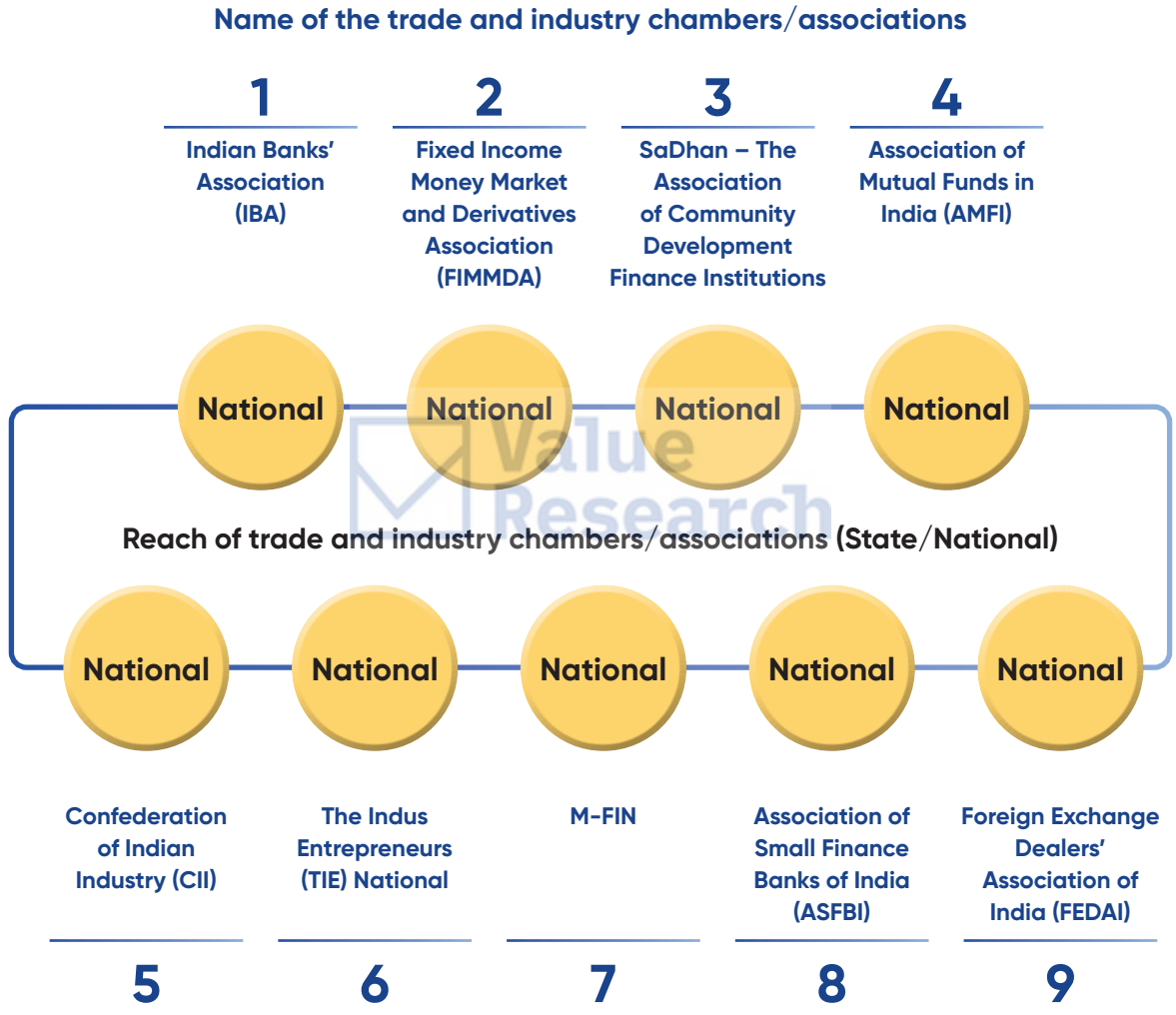
Essential Indicators

We actively engage with industry associations and forums to strengthen our capabilities and drive growth across our business verticals. Alongside, we promote social welfare through initiatives like responsible lending and financial literacy programmes. These efforts contribute to a more transparent and inclusive financial ecosystem, enhancing credit access for the underbanked and unbanked, and streamlining the loan process for economically marginalised communities.

1. a. **Number of affiliations with trade and industry chambers/associations.**

   9

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**



2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities :**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

08 PRINCIPLE

Businesses should promote inclusive growth and equitable development

At Equitas, we view inclusive growth as a core responsibility and a catalyst for sustainable development. Our efforts go beyond financial inclusion to encompass access to education, healthcare, and livelihood opportunities for underserved communities. Through the Equitas Development Initiatives Trust (EDIT), we voluntarily dedicate 5% of our profits to social development, reflecting our belief that meaningful progress must be equitable and far-reaching. By proactively addressing societal challenges and empowering individuals at the grassroots, we continue to foster holistic and inclusive growth that aligns with the true spirit of responsible banking.

Value Research

Impact on <IR> Components

Social and Relationship Capital

Human Capital

Stakeholders

Local Communities

Employees

SDGs Impacted

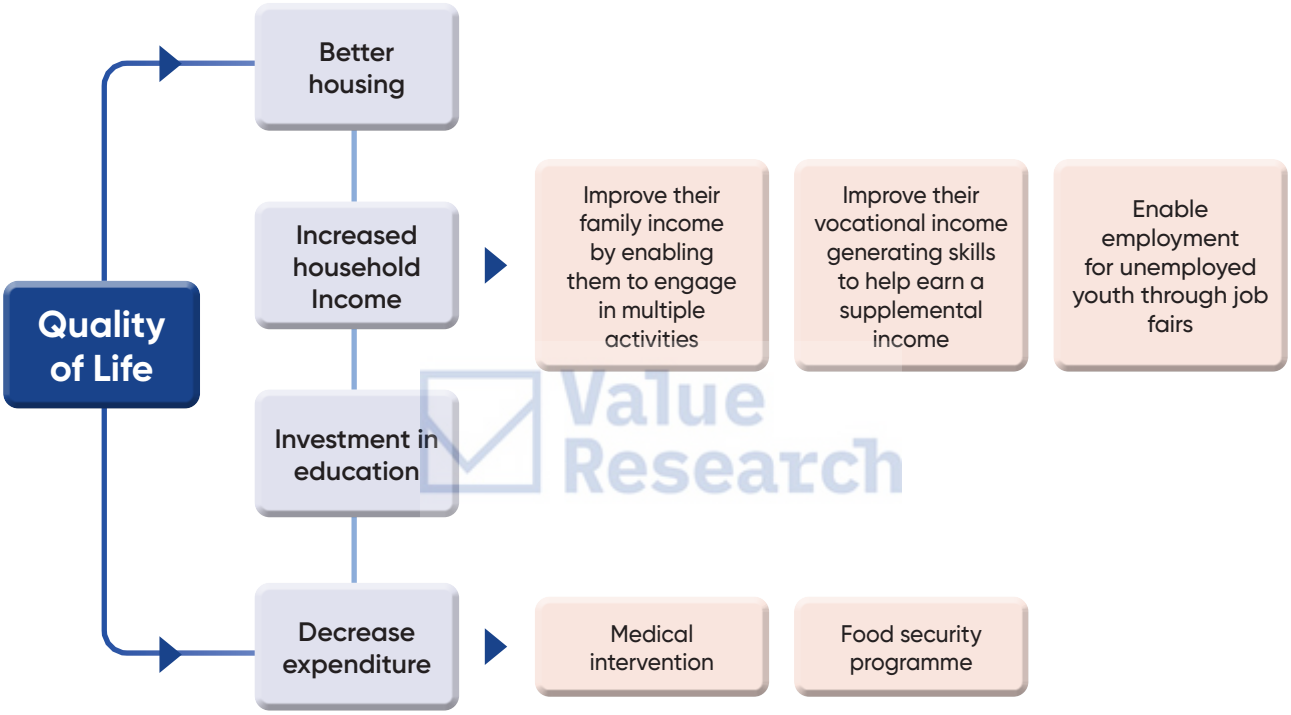
Our CSR Philosophy and Approach

At Equitas, our Corporate Social Responsibility is driven by a strong commitment to holistic community development, delivered through two dedicated trusts, Equitas Development Initiatives Trust (EDIT) and Equitas Healthcare Foundation (EHF).

Through EDIT, we focus on inclusive growth by supporting pavement dwellers with sustainable livelihoods, conducting skill training for women, organising health camps, offering affordable education for underprivileged children, and hosting job fairs to help youth access formal employment.

EHF manages our healthcare outreach, including the Sringeri Sharada Equitas Cancer-cum-Multi-Speciality Hospital, and works to ensure accessible, quality healthcare across underserved communities.

Together, these initiatives embody our efforts to create lasting social impact across healthcare, education, skill development, employment, and rehabilitation.



VALUE RESEARCH PREMIUM

COMPASSIONATE CANCER CARE FOR ALL

SRINGERI SHARADA EQUITAS HOSPITAL – CANCER-CUM-MULTI-SPECIALTY

At Equitas, we believe healthcare must be both equitable and empathetic. The Sringeri Sharada Equitas Hospital was established to extend affordable, holistic cancer care to underserved communities, backed by clinical excellence and patient-first values.

A major milestone was the launch of the Radiation Therapy Department in November 2024, equipped with advanced Elekta technologies, bringing precision treatment within reach for all. The hospital's empanelment under CMCHIS–ABPMJAY enabled free access to high-end treatments for economically weaker patients.

By embedding service excellence through SOPs, the hospital continues to deliver consistent care with compassion. Its high patient satisfaction metrics and NABH accreditation affirm its growing role as a model for socially responsible healthcare.

Impact Snapshot

Key Performance Indicators (From Inception)	Numbers
Outpatient Consultations	24,594
Inpatient Admissions	5,684
Chemotherapy Sessions	4,105
Surgeries Performed	1,194
Radiation Therapy Cases	234
Free Treatments under CMCHIS–ABPMJAY	337
Net Promoter Score	>80
Google Review Rating	4.9

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Krishikaa Krishikaa
2 reviews

★★★★★ a month ago

Best Hospital for cancer Treatments. Services and care are really extraordinary. Doctor's are well listing and giving the correct treatment for the patient, it's being easy to reach doctor any time for an emergency care and doubts. Each and every Staff's are caring like a family with good smile. Being positive in all ways. Cost wise the best hospital with CM scheme acceptance. I really feel that God as shown the best and positive way to us. Special thanks to every Doctor's and staff's for their support through every steps.

Sowmya. Varadarajan
8 reviews · 3 photos

★★★★★ a month ago

Finally a good and reliable and affordable treatment centre.

I had my abdominal issues attended by surgical endocrinologist team. Absolute pleasure to have met such team and they helped vastly to support my troubles and calm me as well. Appreciate the good work.

The tests and the treatments were at affordable price. All the staffs - doctor, nurses, lab technicians… first time I have a good experience in such a long time.

Please continue the good work. Please don't change. Wish you all the best. I have been recommending your service to all my friends for the past 2 days.

Thank you.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
NA	NA	NA	NA	NA	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in ₹)
NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community

To help the Self-Help Group Women raise their grievances, we have designated a toll-free number (18001032977) for expressing their concerns. Our CSR teams promptly address and resolve all issues raised through this channel.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	2024-25 (Current financial year)	2023-24 (Previous financial year)
Directly sourced from MSMEs/small producers	49%	38%
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	2024-25 (Current financial year)	2023-24 (Previous financial year)
Rural	2.44%	2.55%
Semi-urban	18.20%	18.62%
Urban	26.05%	25.70%
Metropolitan	53.32%	53.13%

VALUE RESEARCH PREMIUM

Leadership Indicators

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Value Research

Sr. no.	State	District	Amount Spent
1	Chhattisgarh	Korba	₹ 14,000
2	Chhattisgarh	Mahasamund	₹ 17,600
3	Chhattisgarh	Rajnandgaon	₹ 18,100
4	Karnataka	Raichur	₹ 15,500
5	Madhya Pradesh	Chhatarpur	₹ 10,500
6	Madhya Pradesh	Guna	₹ 4,500
7	Madhya Pradesh	Khandwa	₹ 12,000
8	Madhya Pradesh	Rajgarh	₹ 4,000
9	Madhya Pradesh	Vidisha	₹ 7,250
10	Maharashtra	Osmanabad	₹ 9,500
11	Maharashtra	Washim	₹ 19,000
12	Punjab	Moga	₹ 18,000
13	Rajasthan	Baran	₹ 2,000
14	Tamil Nadu	Ramanathapuram	₹ 11,000
15	Tamil Nadu	Virudhunagar	₹ 22,500
	Total		**₹ 1,85,450**

SUPPORTING CONTINUITY IN EDUCATION

EQUITAS GURUKUL SCHOOLS – A CSR INITIATIVE BY EQUITAS SMALL FINANCE BANK

Equitas Small Finance Bank, through its Gurukul Schools, supports inclusive education as part of its CSR commitment. The focus is not only on delivering affordable, quality education, but also on removing barriers that prevent students from continuing their studies—particularly for families facing financial or personal hardship.

Two recent examples reflect the kind of support extended under this initiative.

Helping a Mother in Crisis: Jyothi's Story

https://www.youtube.com/watch?v=YhXMlDLYlvk

Jyothi, a parent of two students, Nivedh and Nivedha, had enrolled her children at Equitas Gurukul from LKG. When her husband lost his job, the family's income collapsed, and Jyothi approached the school to request a Transfer Certificate, believing she could no longer afford the fees.

The school instead informed her about the Vidya Fund, a CSR-supported scheme that provides financial assistance to parents in distress. Jyothi was granted 50% fee support, allowing her children to continue their education.

This intervention ensured there was no disruption to their academic journey and eased the financial pressure on the family at a critical time.

Keeping Students on Track: Sundari's Story

https://www.youtube.com/watch?v=eKvwpX4HrHo

Sundari joined Equitas Gurukul after her father passed away in her early school years. Her mother, who had no formal education, wanted her daughter to complete school. Sundari progressed well but faced financial difficulty after Class 8, with uncertainty about how to continue.

Recognising her potential and the family's situation, teachers at the school offered academic support and free coaching, helping her stay on course. Sundari eventually completed school and is now pursuing a course in Anaesthesia, the first in her family to enter higher education.

This support reflects the school's approach of combining academic delivery with case-by-case support for students at risk of dropping out.

09

PRINCIPLE

Businesses should engage with and provide value to their consumers in a responsible manner

Responsible consumer engagement is integral to building long-term trust and business sustainability. At Equitas Small Finance Bank, we recognise our duty to serve not just as a financial service provider but as a partner in our customers' financial well-being. We are committed to offering products and services that are transparent, need-based, and accessible, especially to underserved segments. Through continuous communication, customer education, ethical conduct, and robust grievance redressal frameworks, we ensure that value delivery is both responsible and inclusive.

Value Research

Impact on <IR> Components

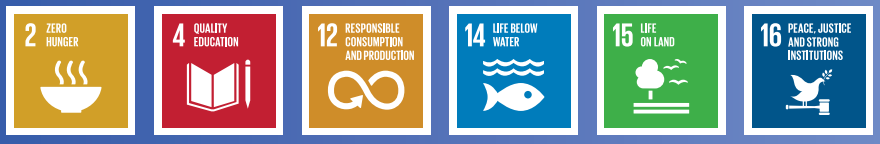
Intellectual Capital

Social and Relationship Capital

Stakeholders

Customers

SDGs Impacted



Enhancing Customer Experience

At Equitas Small Finance Bank, enhancing customer experience is a continuous journey rooted in accessibility, responsiveness, and trust. Our efforts span both physical and digital channels, ranging from personalised ground-level engagement and lounge-style branches to outreach through rural centres and micro-ATM devices. These initiatives have helped us foster deep customer relationships and drive strong satisfaction levels across segments.

Digitally, we have strengthened our presence through simplified online account opening, user-friendly fixed deposit booking, WhatsApp banking, and timely push notifications. Our digital campaigns, including influencer outreach and performance marketing, have expanded visibility and led to the creation of over a million impressions. Omni-channel support, video banking, and instant self-service tools ensure a seamless and secure banking experience for every user.

Customer satisfaction remains a key focus, reflected in our Net Promoter Score of 92 in 2024-25. With innovative offerings like the upcoming Cards365 platform, 24/7 toll-free services, and the 'Banker on Wheels' doorstep banking model, we are redefining convenience and trust in banking, while also earning industry recognition for our marketing and engagement excellence.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   At Equitas, we are committed to addressing customer grievances swiftly and effectively through our centralised Grievance Management Team. We receive complaints through multiple channels - branches, call centres, our website, social media, and internet/mobile banking, and ensure they are tracked and resolved within the timelines defined in our Grievance Redressal Policy. If a complaint remains unresolved or the resolution is unsatisfactory, customers can escalate the matter through clearly defined channels. We make it easy for customers to reach out, with contact details of grievance officers available on our website and at our branches.

   To reinforce our commitment to timely resolution, we have put in place a process to resolve all complaints within 15 days. As per regulatory guidelines, any complaint that is rejected is escalated to the Internal Ombudsman within 20 days. We also have a dedicated Customer Experience Committee, comprising representatives from Customer Experience, Compliance, and Operations, that reviews grievance handling and ensures accountability. Key insights are further escalated to the Customer Service Committee of the Board, promoting transparency and continuous service improvement.

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2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about

	As a percentage of total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following

Benefits	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data privacy	0	0	NA	0	0	
Advertising	0	0	NA	0	0	
Cybersecurity	0	0	NA	0	0	
Delivery of essential services	18,869	861	The top contributors for increase in the number of complaints are given below: a. Since November 2024, Bank had proactively classified all transaction and FASTag disputes as complaints irrespective of harmonisation TAT (excluding UPI and IMPS transactions). b. Based on the advice of the regulatory authority; wrong fund transfer disputes as complaints. c. Increase in FASTag related complaints, where customers have reported deduction of toll charge from FASTag; however, vehicle had not crossed in toll.	5,260	85	Rise in unauthorised transactions reported by customers where the customer has compromised his details.

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Benefits	2024-25 (Current financial year)			2023-24 (Previous financial year)		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Restrictive trade practices	0	0	NA			
Unfair Trade Practices	0	0	NA	0	0	
Other	7,121	169	Non-Equitas customer complaints include issues like receiving unsolicited SMS, incorrect CIBIL reports reflecting a loan with Equitas, and disputes over fraudulent transactions	589	6	Non-Equitas customer complaints include issues like receiving unsolicited SMS, incorrect CIBIL reports reflecting a loan with Equitas, and disputes over fraudulent transactions

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for Recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a weblink to the policy.

Yes.

We have implemented a robust Data Privacy Policy to safeguard against cybersecurity threats and manage data privacy risks. This policy applies to all our employees, as well as third parties including customers, business partners, and service users. It governs the handling of personal and sensitive information collected through our branches, digital platforms, mobile apps, and electronic communications. By setting clear protocols for data collection, storage, and processing, we ensure that data entrusted to us is protected to the highest standards.

Data Privacy Policy

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

NA.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along with impact - NA.

b. Percentage of data breaches involving personally identifiable information of customers - NA.

c. Impact, if any, of the data breaches - NA.

VALUE RESEARCH PREMIUM

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).**

   Customers can access detailed information about our products and services through our official website, mobile banking application, and digital communication platforms. The website can be accessed through the link - www.equitasbank.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   We actively encourage customers to share their experiences and suggestions across multiple channels. Each piece of feedback is carefully reviewed and validated, ensuring that meaningful insights are escalated to the relevant teams. These insights are then evaluated for feasibility and, where appropriate, translated into service or product enhancements.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   To promote responsible banking practices, we regularly share safety tips and financial literacy content through SMS alerts and website updates. These initiatives aim to enhance customer awareness on data protection and the secure use of banking services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   NA.

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MANAGEMENT DISCUSSION & ANALYSIS

Global Economy

In 2024, the global economy expanded at a moderate pace of 3.3%, reflecting a period of relative stability despite ongoing geopolitical and economic disruptions. Ongoing geopolitical tensions, including the continued Russia-Ukraine war, the prolonged Israel-Gaza conflict, and several other regional flashpoints, weighed heavily on global sentiment in 2024. In early 2025, the United States announced sweeping tariffs, prompting retaliatory actions from major trading partners and adding a fresh layer of uncertainty to the global trade environment. Trade disputes influenced global stability and investment decisions as economies continued to navigate these challenges through strategic adjustments and policy responses. Inflationary pressures showed some signs of easing in 2024 due to improving supply chain efficiencies and moderating energy prices. However, global headline inflation is now expected to decline more slowly than previously anticipated, from 5.6% in 2024, now projected to ease to 4.3% in 2025 and 3.6% in 2026. This reflects upward revisions for advanced economies, partially offset by marginal declines in emerging and developing markets. Central banks across key regions are pivoting towards accommodative policies, helping improve credit availability and supporting investment sentiment over the medium term.

Looking ahead, the International Monetary Fund (IMF) forecasts global growth to moderate to 2.8% in 2025, before recovering slightly to 3.0% in 2026. Advanced economies are expected to grow at 1.4% in 2025 and 1.5% in 2026, supported by gradual monetary easing and fiscal adjustments, though trade realignments and supply chain shifts may temper the pace of recovery. Meanwhile, emerging markets and developing economies are projected to expand by 3.7% in 2025 and 3.9% in 2026, driven by resilient domestic demand, infrastructure investments, and accelerating digital transformation.

Source: IMF World Economic Outlook, April 2025

GDP Growth Projections (in %)

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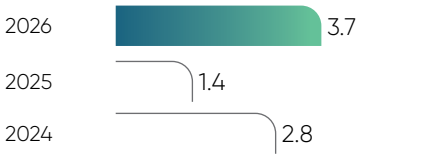
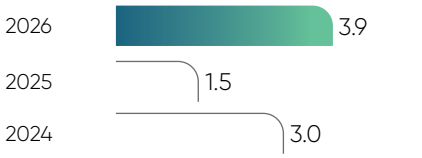
Global Economy

Advanced Economies



Emerging Markets and Developing Economies



Source: IMF World Economic Outlook, April 2025

Outlook

While the global economy continues to face heightened uncertainty, driven by trade disruptions, inflationary pressures, and financial vulnerabilities, particularly in emerging markets, signs of stabilisation are emerging. Easing inflation in major economies, improving financial conditions, and anticipated monetary policy adjustments are expected to support a gradual recovery in global demand. At the same time, multilateral efforts around debt resolution, energy security, and supply chain diversification are likely to shape a more resilient and inclusive global growth path over the medium term.

Source: IMF report on World Economic Outlook, April 2025

Indian Economy

The Indian economy continues to demonstrate resilience and dynamism amidst a complex and evolving global landscape. Despite persistent external challenges including prolonged geopolitical tensions, global supply chain adjustments, and imported inflation, India has maintained strong momentum. Real GDP stood at 6.5%* in 2024-25, with estimates for 2025–26 similar at 6.5%, reaffirming India's position as one of the fastest-growing major economies in the world.

Sources: Economic Survey 2024–25, IMF World Economic Outlook, April 2025

Indian Economy GDP Growth Rate (in %)

Source: Second Advance Estimates of Annual GDP for 2024-25 by MOSPI, Government of India

**Provisional by MOSPI, as of June 2025; E – Estimated*

India's nominal GDP stands at US$ 4.19 trillion, and has surpassed Japan to become the world's fourth-largest economy. A major pillar of this momentum has been the resilience of domestic consumption, supported by a rising middle class, rapid urbanisation, and growing disposable incomes. The Union Budget for 2025–26, which raised the income tax exemption limit to ₹ 12 lakhs, is expected to further stimulate household spending, boosting demand across sectors such as retail, lifestyle, and consumer durables. This incremental demand, especially in urban and semi-urban centres, is expected to translate into higher capacity utilisation, improved business confidence, and stronger private sector investment, reinforcing a virtuous cycle of growth in the coming years.

Source: PIB Press Release on Indian Economy, January 2025

Further, rural demand has shown signs of meaningful recovery, aided by a favourable monsoon and consequent agricultural output, which expanded by 3.5% in 2024-25. Early indicators suggest that rural demand is regaining traction. A decline in MGNREGA employment demand, typically countercyclical, signals improving income opportunities in rural areas, while the uptick in sales of FMCG, two-wheelers, and agri-inputs reflects a rebound in consumption sentiment. This recovery is expected to gather pace, aided by favourable monsoon projections, expectations of a healthy kharif harvest, and strong rabi sowing supported by improved reservoir levels. Government investments in rural infrastructure, housing, and irrigation under schemes like PMAY-Gramin and PM-KUSUM are further enhancing rural disposable income and employment generation.

Sources: Economic Survey 2024–25, IMF World Economic Outlook, April 2025

India's sectoral growth has remained broad-based, with the services sector accounting for over 53% of GDP, driven by continued expansion in information technology, financial services, and digital platforms. Services exports remain a key contributor as India exported US$ 387.5 billion worth of services, a 13.6 % increase over the previous year. Merchandise exports, excluding petroleum products, reached US$ 374.1 billion, growing by 6.0%. The financial sector has provided robust

support to economic expansion. Policy initiatives under the EASE (Enhanced Access and Service Excellence) reforms framework and schemes such as the Grameen Credit Score are facilitating greater inclusion across previously underserved geographies.

Source: Economic Times - Public Sector Banks 2024-25 Performance

The industrial sector, which includes manufacturing and infrastructure, has also exhibited strength, with an estimated growth rate of 6.2% in 2024-25, reflecting higher investments in capital goods, energy, and construction. Within this landscape, the Micro, Small, and Medium Enterprises (MSME) sector plays a pivotal role. With over 7.34 Crore enterprises employing 26 Crore people, MSMEs contribute approximately 30% to GDP and nearly 45% of exports. The sector is experiencing greater formalisation through initiatives like Udyam Registration, with 6.2 Crore enterprises registered as of March 2025. However, a ₹ 30 lakh Crores credit gap, infrastructure challenges, and skilled labour shortages continue to constrain growth. Government measures such as digital credit scoring models, collateral-free loans, and targeted skilling programmes aim to address these issues and enhance MSME productivity.

Sources: SIDBI Report on MSMEs, PIB Press Release on MSMEs ,June 2025; PIB Press Release on Sectoral Growth, January 2025

Complementing this domestic financial resilience, India's external sector remains robust. During 2024-25, merchandise exports grew by 6.01% and services exports increased by 18.6%. The current account deficit narrowed to 1.1% of GDP, aided by strong services trade and remittance inflows. Foreign direct investment rose by 14%, and foreign exchange reserves stood at US$ 685.7 billion, providing a solid buffer against external shocks.

Source: https://www.moneycontrol.com/news/business/economy/india-s-current-account-deficit-narrowed-to-1-1-at-11-5-billion-in-q3fy25-12978874.html, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2131716, https://www.livemint.com/economy/indias-forex-reserves-drop-4-9-billion-to-685-7-billion-as-of-may-16-rbi-data-shows-11748174593306.html

India's digital transformation continues to accelerate, reshaping how citizens access services and how businesses operate. The digital economy, which includes digital infrastructure, online commerce, fintech, IT services, digital communication, and platform-based services expanding at nearly twice the pace of overall GDP and is expected to account for 20% of national income by 2029-30, surpassing traditional sectors such as agriculture. The digital public infrastructure, including Aadhaar, UPI, and DigiLocker, has significantly enhanced access to services. In March 2025 alone, UPI transactions crossed ₹ 24.77 lakh Crores, reflecting widespread digital adoption. Emerging technologies such as Artificial Intelligence (AI) are also poised to transform sectors like agriculture, logistics, education, and healthcare, with AI projected to contribute US$ 438 billion to India's GDP by 2029–30.

Source: PIB Press Release on India's Digital Economy Contribution, Business Standard - AI's impact on India's GDP

Outlook

India's medium- to long-term economic outlook remains fundamentally strong. With favourable demographics, a youthful and aspirational population, rising urbanisation, expanding digital integration, and a forward-looking policy environment, India is well placed to achieve sustained and inclusive growth. At the same time, India's policy focus on infrastructure development, reflected in sustained high capital expenditure and initiatives such as the Production-Linked Incentive (PLI) schemes, is accelerating the shift towards domestic manufacturing and integration into global supply chains. Financial inclusion, formalisation of the economy, and targeted support to MSMEs are helping broaden the base of economic participation. With institutional reforms, climate adaptation efforts, and a growing innovation ecosystem, India remains well on track to achieve its vision of becoming a developed economy by 2047.

Sources: Economic Survey 2024–25, IMF World Economic Outlook, April 2025, NITI Aayog Vision Document 2047

Indian Banking Sector

The Indian banking sector experienced a year of recalibration in 2024-25, marked by a moderation in credit growth and continued focus on asset quality and capital strength. In the months leading up to March 2025, banks adopted a cautious approach, reducing their credit-to-deposit (CD) ratios and exposure to unsecured retail loans and non-banking financial companies (NBFCs). However, supportive regulatory interventions by the Reserve Bank of India (RBI) including the deferral of changes to the liquidity coverage ratio (LCR) framework and the rollback of increased risk weights for NBFCs and unsecured retail segments helped improve sentiment and credit availability. Consequently, ICRA as of January 2025 has revised its credit growth estimate upwards to 10.8–11.5% for 2024-25, reflecting a more optimistic outlook compared to its earlier projection of 10.5–11.0%.

Asset quality continued to improve, with gross non-performing assets (GNPA) and net non-performing assets (NNPA) declining to 2.3% and 0.5%, respectively, as of March 2025, down from 2.8% and 0.6% in March 2024. Although fresh slippages were expected to rise, they were likely to be granular, in contrast to large corporate defaults seen in previous years. Margin pressures emerged due to high deposit rates and a potential decline in lending yields if repo rate cuts materialise. Net interest margins (NIMs) were expected to compress, particularly with slower growth in high-yielding segments.

The capital position of banks remained robust, with a solvency ratio (NNPAs/core equity) improving to 4.5% by December 2024. No major capital-raising needs were anticipated due to moderate credit growth. Looking ahead, while profitability may moderate in 2025-26, Indian banks remain well-capitalised and resilient, supported by sound asset quality and stable earnings.

Source: Indian Banking Sector - ICRA Limited, https://www.businessworld.in/article/scbs-gross-npas-fall-to-23-in-fy25-lowest-on-record-558125, https://www.cnbctv18.com/business/finance/indias-banks-may-be-in-for-a-tough-year-19612354.htm, https://www.business-standard.com/economy/news/regulatory-easing-to-support-10-8-credit-growth-in-fy26-icra-125040800930_1.html

Overview of Small Finance Banks in the Financial Ecosystem

The fiscal year 2025 was a period of consolidation and recalibration for Small Finance Banks (SFBs) in India. After a phase of robust expansion, the sector faced headwinds from asset quality deterioration, profitability pressures, and rising funding costs, particularly due to stress in the microfinance segment. As a result, credit growth moderated to an estimated 18–20% in 2024-25, down from 24% in 2023-24. Despite this slowdown, the medium-term outlook remains positive, with growth expected to rebound to 20–23% in 2025-26, led by continued portfolio diversification and operational streamlining.

Sources: https://timesofindia.indiatimes.com/business/india-business/small-finance-banks-growth-to-slow-down-to-18-20-in-fy2025-icra/articleshow/117234867.cms, https://www.thehindubusinessline.com/money-and-banking/small-finance-banks-credit-growth-to-slow-in-fy25-profitability-to-face-challenges/article69098594.ece,

In 2024-25, profitability across the sector declined, primarily due to elevated credit costs and provisioning, particularly in the second half of the year. The Return on Assets (RoA) is estimated to have dropped to 1.4–1.6% in 2024-25 from 2.1% in 2023-24. A modest improvement in profitability is expected in 2025-26, contingent upon enhanced risk controls, improved asset mix, and greater cost efficiency.

Sources:https://www.icra.in/CommonService/OpenMediaS3?Key=cd8be38d-f824-43b7-80a4-69ea538a50d1,

https://www.moneycontrol.com/banking/rbi-closely-monitoring-capital-position-of-small-finance-banks-few-may-be-forced-to-shore-up-buffer-article-12951954.html,

https://economictimes.indiatimes.com/wealth/save/now-get-pre-approved-credit-lines-on-upi-from-small-finance-banks-as-rbi-expands-this-service/articleshow/118179104.cms?from=mdr,

https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-expresses-concerns-over-small-finance-banks-mergers-suggested-to-mitigate-risks/articleshow/117703105.cms?from=mdr

In summary, 2024-25 was a year of measured correction for Small Finance Banks. While challenges around asset quality, profitability, and funding persisted, the sector has responded with strategic shifts aimed at secured lending, deposit mobilisation, cost control, and digital integration. With the right execution of these priorities, SFBs are well-positioned to navigate the current environment and lay the foundation for sustained, resilient growth in the coming years.

Sources:https://www.financialexpress.com/business/banking-finance-rbi-forms-new-advisory-committee-to-evaluate-licenses-for-universal-and-small-finance-banks-3721109/,

https://www.financialexpress.com/business/banking-finance-microfinance-sector-faces-rising-delinquencies-across-lenders-and-loan-sizes-rbi-3703839/

About Equitas Small Finance Bank

At Equitas Small Finance Bank (also referred to as 'Equitas', 'ESFB', 'The Bank' or 'We'), we are committed to delivering credit tailored to the needs of India's financially underserved and unserved communities while offering the best-in-class banking services for depositors. Our customer base spans across the informal, semi-formal, and formal sectors, including individuals with limited access to traditional financing, as well as customers in the affluent and mass-affluent segments, SMEs, and corporates.

We focus on leveraging our robust technological capabilities to address the diverse and evolving requirements of our customers. At the heart of our approach lies a strong foundation built on the principles of fairness and transparency with the highest standards of corporate governance. This allows us to serve people from a wide range of backgrounds while providing them with a new, empowering way to bank.

Over the years, we have evolved from a product-led to a customer-centric institution. In addition to credit, we offer a suite of non-credit services, such as Savings and Current accounts for various customer segments, life and general insurance products from leading insurance companies, a platform to invest in mutual funds, lockers, FASTags, and more. We continue to focus on building a well-diversified product and customer segments.

Value Research

We see robust growth potential in secured lending segments such as Small Business Loans, Used Commercial Vehicle, Car Finance and Affordable Housing Finance, which cater to the largely underpenetrated customer segments with significant credit demand being currently addressed by informal money lenders. Within these product segments we see an opportunity to expand our customer base by focussing acquiring customers with a strong repayment track record and being serviced by NBFCs. Our Liability Strategy 2.0 driven by new offerings and supported by technology upgrades is improving customer engagement and will help us reduce cost of mobilising deposits and creating long-term customer loyalty and may impact the Bank's profitability in the near term.

Segment-Wise Performance

Assets

Our asset strategy is focussed on understanding and addressing the evolving credit needs of India's underbanked and informal segments. We offer a diverse portfolio that includes Small Business Loans (SBL), vehicle loans, affordable housing loans, loans to MSMEs, Microfinance and MicroLoans, credit cards, personal loans and gold loans. This range reflects our commitment to financial inclusion, economic mobility, and supporting underserved communities. During the year, we added 20 new branches to strengthen our presence across Andhra Pradesh, Tamil Nadu, Karnataka and Telangana, improving customer access. Additionally, our revamped Loan Origination System (LOS) has streamlined end-to-end processing, increased productivity and ensured a smooth digital onboarding experience for customers.

During the year, we recalibrated our portfolio towards secured and stable asset classes, which grew by 19% year on year, while the overall advances grew by 11% year-on-year to ₹ 37,986 Crores as of March 31, 2025, as microfinance loan book contracted. Small Business Loans remain our largest segment, expanding by 25% with stable yields and strong credit quality. Network expansion, coupled with the implementation of a robust LOS, enabled higher productivity, faster turnaround times, and contributed to the deepening of our Small Business Loan (SBL) portfolio.

In Vehicle Finance, there was sluggishness in demand for new commercial vehicles (NCVs), driven by the rising cost of ownership and a business slowdown among small road transporters, which affected their ability to service loans. In response, we strategically increased our focus on used commercial vehicles (UCVs) and used cars segments. Consequently, UCVs saw a 24% growth and used cars recorded a robust 53% growth in advances and a degrowth of 13% in New CV segment.

MSE portfolio saw a robust growth of 41% year-on-year (YoY), supported by improved disbursements. Affordable housing continued its growth, driven by rising aspirations and increasing formalisation. In the coming year, we are focussed on driving profitability in these two segments through improved operational efficiencies.

During the year, we introduced Credit Card and Personal Loan segments, targeting existing depositors through pre-approved offers. These are part of our broader effort to deepen customer engagement.

Digitisation remains a key enabler; our Selfe Loan App is the 'go-to app' for loan enquiries by potential borrowers, designed to enhance customer experience and streamline the loan application process. During the year, the app played a pivotal role in increasing digital lead sourcing and enabling seamless onboarding.

We are tapping opportunities to scale up cross-selling of loans to our customers, aiming to enhance customer stickiness and increase the number of products per customer. Through these strategic initiatives and portfolio shifts, we continue building a resilient, customer-centric asset base that supports sustainable growth, and financial inclusion goals.

Value Research

VALUE RESEARCH PREMIUM

During the year, as microfinance stress elevated, we invested time and resources in sharpening our collection strategy. We strengthened the collection workforce to improve collection efficiency and customer engagement. Further, the uncertain regulatory and political climate in Karnataka affected the MFI portfolio.

Liabilities

At Equitas Small Finance Bank, we offer a broad suite of liability products including savings accounts, current accounts, and fixed deposits and distribute third-party products like insurance and mutual funds along with ASBA-enabled accounts for investing in IPOs. Our liability strategy focusses on catering to mass and mass-affluent customers, with steady growth in the Elite segment and an expanded Non-Resident Indian (NRI) customer base spanning over 140 countries. During the year, we opened 10 liabilities branches in Karnataka, Gujarat, Maharashtra, Uttar Pradesh and Uttarakhand, strengthening our reach and deepening our presence in key markets.

In 2024-25, we crossed ₹ 40,000 Crores in total deposits, driven primarily by a 26% year-on-year growth in retail term deposits. Despite a high-interest rate environment encouraging term deposits, we maintained a CASA ratio of around 29%. The retail deposits (Retail TD+CASA), comprising 73% of the total deposits, highlights the granularity and stability of our funding base. The credit-deposit ratio stood at 85.65% as of 2024-25, positioning us well for sustainable asset growth while maintaining balance sheet strength.

During the year, we implemented our Liability 2.0 strategy aimed at lowering the cost of funds and improving operational efficiency in mobilising deposits. Key initiatives included expanding customer acquisition in mass and mass-affluent segments, tapping HNI opportunities through Family Banking, and scaling up D2C business via 100% digital onboarding. We also focussed on growing the NR and FX segment to drive NRI deposit growth and non-interest income. The institutional business is being scaled up by offering customised solutions. In the household segment, we are deepening engagement through cross-sell of consumer products like credit cards and personal loans.

To engage the new-age, tech-savvy Gen Z population, we are significantly scaling our digital banking and direct-to-consumer (D2C) business with 100% digital onboarding and services, including virtual bankers and an advanced mobile app with phased rollouts aimed at superior user experience, personalised nudging, and seamless product integration. As part of this effort, we launched Equitas 2.0, our next-generation internet and mobile banking platform designed to offer a modern, intuitive, and fully DIY digital experience with cloud-native architecture and comprehensive onboarding and servicing capabilities.

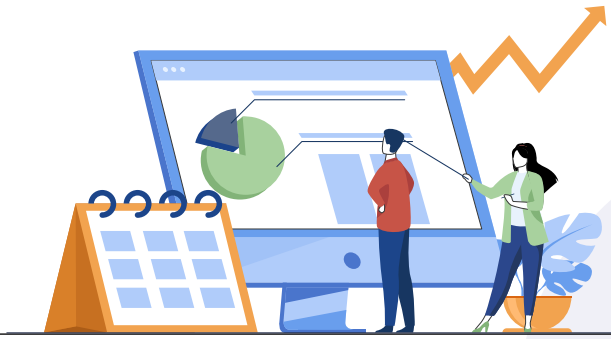
Moving ahead, we are transitioning from a product-led to a customer and family-focussed approach, combining digital-first platforms with high-touch relationship management to deliver holistic financial solutions.

Third-Party Products

This year, we strengthened our third-party product offerings by building on our customer-centric platforms and expanding our partner ecosystem. Our wealth management and third-party distribution businesses gained traction through fresh addition of ~20,000 Systematic Investment Plans (SIPs), 6,000 broking accounts and 15,000 ASBA registrations. Our platforms also enabled 6,10,048 IPO applications, resulting in a total application value of over ₹ 20,192 Crores, driven by a buoyant IPO market and growing retail participation. Catering primarily to 'saver' segments, our focus remained on simplifying access to investment and insurance products through seamless digital journeys.

ENVI, our InsureTech, platform has evolved into a robust digital marketplace with an open architecture model, integrating nine insurance companies. During the year 12 new life insurance products went live. Our retail life insurance premium registered a 12% y-o-y growth, while general insurance premium saw a 21% growth. This serves as an inclusive platform that facilitates the selection of the most suitable product for customers through a robust onboarding process. This assisted model enables relationship managers to offer personalised insurance options, while also leveraging up-selling and cross-selling opportunities through our Virtual Relationship Banking model. Efficiency in lead management is being enhanced through the CRM system, as we steadily move towards a do-it-yourself (DIY) platform for greater customer convenience.

In the investment space, our mutual fund platform ENVEST



integrated with mobile and internet banking continues to gain traction, empowering customers to track and invest with ease. During the year, more than 85% of lump-sum investments and 80% of SIPs were executed through digital channels. Our 3-in-1 account proposition offers a seamless integration of banking, trading, and demat services, providing customers with a convenient and efficient way to manage their finances and investments on a single platform.

The product has gained strong acceptance among digitally savvy customers seeking a comprehensive and hassle-free investment experience. We are also working to expand this offering by adding more partners to provide customers with greater choice and enhanced service capabilities. Our Portfolio Management Services (PMS) and Alternate Investment Funds (AIF) services also continued to expand, with a 32% YoY growth in AUM. This reflects the growing demand from HNI and affluent customers seeking active, differentiated strategies to optimise returns and diversify their portfolios.

We also saw meaningful expansion in our toll plaza acquiring business, allowing us to further diversify offerings and engage with a broader customer base. Our approach this year has been rooted in convenience, accessibility, and personalised solutions, creating a stronger foundation for long-term customer relationships.

Outlook

As we move into 2025-26, our focus is on building a resilient, and sustainable business model that is largely poised to deliver consistent growth, stable profitability and low volatility in overall business performance. With key pivots already implemented, including the resizing of our microfinance portfolio and a continued focus on our secured lending products, we are better positioned to deliver stable and consistent performance. As we move away from microfinance, we expect our margins to be under pressure until efforts taken to reduce the cost of funds show results. We also expect the credit cost to remain elevated, as microfinance stress is expected to continue for a few more quarters in 2025-26.

Value Research

Financial Performance

2024–25 was a year of strategic consolidation for Equitas Small Finance Bank, marked by deliberate steps to improve asset quality and operational stability amid a challenging environment. Our total income grew by 15% year-on-year to ₹ 7,223 Crores, supported by a 6% rise in net interest income to ₹ 3,252 Crores and a 14% increase in other income to ₹ 911 Crores. Growth in secured lending segments and stronger third-party distribution and treasury income contributed to this performance.

Operating expenses increased by 13% to ₹ 2,829 Crores, driven by investments in technology, workforce expansion, and branding, reflecting our long-term focus on improving customer engagement and digital capabilities. This led to a slight rise in the cost-to-income ratio from 64.49% in the previous year to 67.95%.

Gross NPA stood at 2.89%, while Net NPA improved to 0.98% from 1.12% last year, supported by better collections and a shift towards secured lending. The Provision Coverage Ratio, remained at 66.83%. Elevated credit costs at 3.14% were largely attributable to stress in the microfinance book and floating provision of ₹ 180 Crores to ensure that the Bank's NNPA remains below 1% in order to align with the application of the Universal Banking License. Excluding this, credit costs were around 2.65%, indicating improving portfolio quality. To maintain higher provision coverage in the unsecured book (MFI), the bank has raised the provision percentage for NPA buckets falling in 121-455 days to 100%, as against the RBI norms of 25%

Profit Before Tax stood at ₹ 199 Crores and PAT at ₹ 147 Crores. Return on Assets was 0.30% and Return on Equity 2.45%, reflecting the impact of higher provisioning and strategic investments. Our balance sheet grew to ₹ 52,836 Crores from ₹ 45,304 Crores in the previous year, supported by a strong retail franchise. The capital adequacy ratio stood at 20.6%, with Tier I capital at 17.84%.

While short-term profitability was moderated, our actions during the year have positioned us for more resilient and sustainable growth in the future.

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Profit and Loss Summary

(₹ in Crore)

	2024-25	2023-24
Net Interest Income	**3,251.61**	3,079.76
Other Income	**911.49**	798.67
Net Income	**4,163.10**	3,878.43
Operating Expenses	**2,828.83**	2,501.07
Operating Profit	**1,334.27**	1,377.36
Provisions	**1,135.42**	266.94
Provisions for Security Receipts	**-**	47.29
Profit Before Tax (PBT)	**198.85**	1063.13
Taxes	**51.80**	264.17
Profit After Tax	**147.05**	798.96

Value Research

Key Ratios

(%)

	2024-25	2023-24
Yield on Advances	**16.25**	17.29
Cost of Funds	**7.50**	7.26
Spread	**8.74**	10.03
Net Interest Margin	**7.51**	8.36
GNPA	**2.89**	2.52
*Credit Cost	**3.14**	1.01
Provision Coverage Ratio	**66.83**	56.06
*NNPA	**0.98**	1.12
*ROA	**0.30**	2.00
*ROE	**2.45**	14.43
Debt-Equity Ratio#	**0.23**	0.11
Total Debt to Total Assets$	**4.04**	3.95

* The impact is more than 25% for these parameters on account of higher loan loss provisions mainly attributable to stress in the Microfinance Industry.

#The mentioned ratio is in times and not in %. Debt represents borrowings with residual maturity of more than one year.

$Total debt represents total borrowings of the Bank.

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Equitas Small Finance Bank

Balance Sheet

(₹ in Crore)

	2024-25	2023-24
Capitals and Liabilities		
Capital	**1,139.86**	1,134.89
Reserves and Surplus	**4,932.66**	4,833.81
Deposits	**43,106.72**	36,129.20
Borrowings	**2,136.99**	1,787.53
Other Liabilities and Provisions	**1,519.40**	1,418.44
Total	**52,835.63**	45,303.87
Assets		
Cash and Balances with RBI	**4,954.11**	3,500.35
Balances with Banks and Money at Call and Short Notice	**582.19**	78.60
Investments	**9,288.69**	9,065.27
Advances	**36,208.89**	30,964.30
Fixed Assets	**695.70**	604.73
Other Assets	**1,106.05**	1,090.62
Total	**52,835.63**	45,303.87

Business Review

Gross Advances

(₹ in Crore)

Particulars	2024-25	2023-24	YoY (%)
Small Business Loans	**16,383.10**	13,151.74	25%
Vehicle Finance	**9,455.97**	8,323.60	14%
Housing Finance	**4,768.72**	4,184.47	14%
Microfinance and Microloans	**4,526.62**	6,265.45	-28%
MSE Finance	**1,688.98**	1,200.93	41%
NBFC	**524.89**	716.30	-27%
Others[1]	**638.16**	494.31	29%
Total[2]	**37,986.44**	34,336.80	11%

[1]Note: Others include loans against gold, unsecured business loans, overdrafts against fixed deposits and staff loans.

[2]Gross advances, including IBPC, securitisation/assignments.

Liabilities

(₹ in Crore)

Particulars	2024-25	2023-24	YoY (%)
Demand Deposits	**1,648.04**	1,215.02	36%
Savings Bank Deposits	**10,762.18**	10,337.39	4%
Term Deposits	**30,696.50**	24,576.79	25%
-Retail Deposits	**18,446.57**	14,669.68	26%
-Bulk Deposits	**12,249.93**	9,907.11	24%
Total	**43,106.72**	36,129.20	19%

Disclosure of Accounting Treatment

We have adopted accounting policies which are in line with the Accounting Standards and as prescribed by the regulators.

Information Technology

The past year marked a pivotal chapter in Equitas' digital transformation journey, underscored by significant technological advancements. We rolled out several strategic initiatives, including the implementation of a Customer Relationship Management (CRM), the launch of Equitas 2.0, our redesigned internet and mobile banking platform, and the successful migration of our UPI infrastructure from a SaaS model to an in-house, cloud-based solution. Additionally, we adopted a microservices architecture to enhance scalability and agility. These initiatives have significantly strengthened our digital foundation, reinforcing our position as a technology-led bank, aligned with the best in the Indian banking landscape. Our Loan Origination System has automated the entire loan journey, enabling a seamless digital experience for 90% of our borrowers who are new to banking.

Customer Relationship Management (CRM)

Over the past year, we have successfully rolled out a new CRM platform built on Microsoft Dynamics 365 across all branches, enabling seamless, paperless servicing and improved customer journey tracking. The Lead and Opportunity Management module will provide a structured sales pipeline, expected to significantly enhance revenue generation.

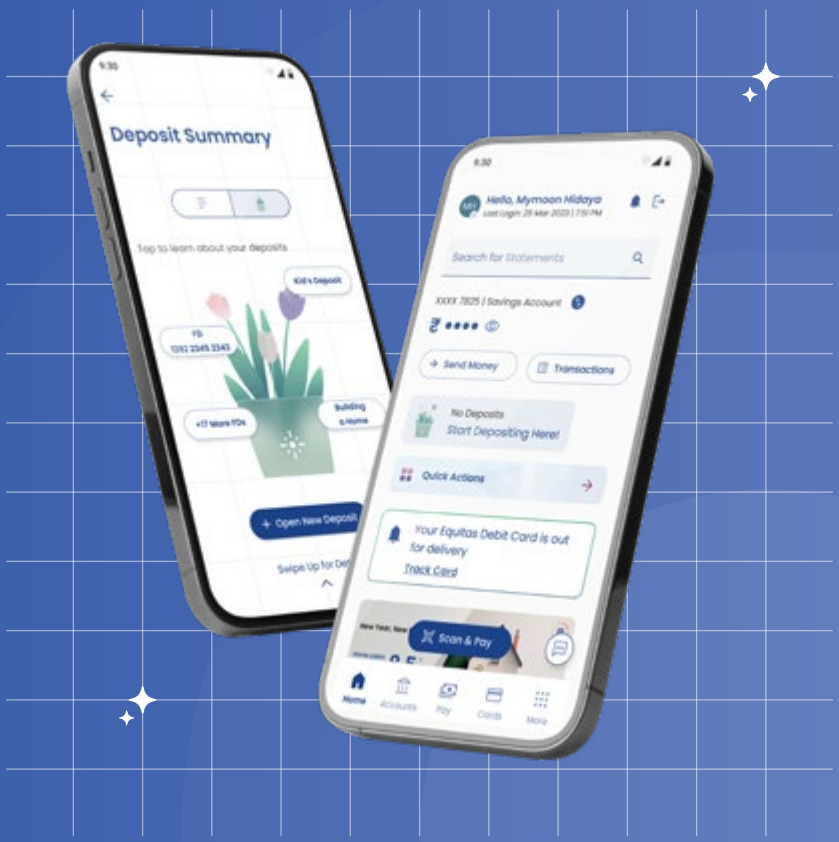
Mobile Applications

We launched Equitas 2.0 - our next-generation internet and mobile banking platform—built from scratch using cutting-edge, cloud-native technology. It offers an intuitive user experience, advanced DIY capabilities, and supports all major payment modes including NEFT, RTGS, IMPS, and UPI (Scan and Pay). With downloads nearing 1,00,000, Equitas 2.0 sets the stage for our future-ready SUPERAPP, designed to unify customer onboarding and enrich our depositor experience. We have introduced innovative products such as the Selfe Loans app, which saw strong adoption, demonstrating the growing digital engagement of our customers. Additionally, initiatives like Banker on Wheels and our cloud-based loan origination platform for personal loans and credit cards are driving efficiency and helping us cross-sell effectively.

We transitioned our UPI platform from a SaaS-based model to a licensed, in-house cloud solution. As part of our 'All Payments on UPI' initiative, we have enabled UPI-based loan and credit card repayments. We aim to expand this further, ensuring that most customer payments to Equitas are facilitated through the UPI framework.

Our ongoing efforts in Robotic Process Automation (RPA) have automated numerous repetitive tasks, saving substantial man-hours and enhancing accuracy, all while maintaining a lean team. In 2024-25, we automated 100+ processes through bots, saving approximately 45,000+ person-days, while maintaining optimum license usage.

Looking ahead, technology and automation are at the core of our transformation into a full-service, differentiated bank. Through sustained investments in digitalisation, DIY capabilities, and emerging technologies like Generative AI, we aim to enhance efficiency, expand reach, and deliver personalised experiences, strengthening our mission to serve a broader customer base, especially underserved communities across India.



Risk Management

Effective risk management is fundamental to ensuring the Bank's sustained profitability, stability, and long-term success. Recognising risk management as a core organisational competency, the Bank proactively identifies, assesses, and mitigates diverse risks in alignment with our business strategies. Our robust risk management framework integrates risk and capital management to protect financial strength and reputation, while enabling value creation for customers and sustainable returns for shareholders. Supported by an independent risk governance structure, the Bank remains agile in responding to dynamic business conditions and evolving regulatory requirements.

Risk Culture and Governance

Risk is inherent in every business activity, and we have consistently demonstrated resilience amid geopolitical uncertainties, financial market volatility, tight monetary policies, and natural calamities. By embedding a strong risk culture across the organisation, we maintain a vigilant and responsive posture towards external changes. The Board of Directors holds ultimate responsibility for risk governance and policy approval, delegating detailed oversight to the Risk Management Committee of the Board.

At the management level, several specialised committees steer risk oversight, including:

These committees regularly review risk exposures in their domains, ensuring comprehensive coverage and timely escalation. An independent risk management function, led by the Chief Risk Officer, underpins these efforts with objective risk assessment and monitoring.

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Risk Appetite and Capital Planning

The Bank operates under a Board-approved Risk Appetite Framework, which sets defined thresholds and tolerances aligned with strategic goals. The framework is rigorously monitored via key parameters, with quarterly Board reviews to ensure adherence. Emerging risks are also regularly reported to the Board, enabling informed guidance to management on necessary actions.

Our capital planning is detailed through the Internal Capital Adequacy Assessment Process (ICAAP), which forecasts capital needs over a five-year horizon while linking risk exposures to capital requirements. Stress testing forms a vital part of our risk monitoring, evaluating the impact of severe scenarios and market developments on the Bank's risk profile and capital adequacy, thereby strengthening our preparedness.

Credit Risk Management

Credit risk, the potential loss arising from borrowers' inability to meet their obligations, is managed through rigorous controls spanning borrower evaluation, limit setting, disbursement, and continuous account monitoring. The Bank's Credit Risk Management framework, governed by a formal policy and overseen by the Credit Risk Management Committee (CRMC), seeks to maintain healthy asset quality while balancing risk and reward.

In addition to regulatory prudential limits, the Bank sets forward-looking internal caps on critical credit ratios, aligned with growth plans. Detailed analyses of portfolio segments by geography, ticket size, and customer type identify stress points, prompting proactive measures to preserve asset quality. Large borrower exposures are closely monitored through loan-level assessments to prevent deterioration into Non-Performing Assets (NPA).

The Early Warning Signal framework further supports timely identification of potential credit stress. The Bank maintains conservative provisioning policies, including additional provisions for stressed sectors and vulnerable portfolio segments.

To support quality growth in advances, we have advanced automation of credit risk monitoring processes, targeting real-time tracking of key ratios. This initiative will continue, enhancing the precision and efficiency of credit risk oversight.

Asset Liability Management (ALM) and Market Risk

Market risk, exposure to losses from fluctuations in interest rates, credit spreads, equity prices, and foreign exchange rates, are actively managed by a dedicated Market Risk team. This team promptly identifies and escalates risks, operating within a comprehensive risk management policy covering liquidity and interest rate risk.

Interest rate risk is assessed from two perspectives:

Earnings Perspective

Impact on Net Interest Income in the short term

Economic Value Perspective

Impact on the Bank's Market Value of Equity over the long term

Stress testing of banking and trading books evaluates potential earnings and capital volatility under adverse scenarios.

The Market Risk mid-office monitors the Treasury's investment activities daily, ensuring compliance with risk limits such as VaR (Value at Risk), PV01, and modified duration. For foreign currency transactions, stringent risk limits and controls enforce adherence

to regulatory and internal policies, minimising exposure to market volatility.

Liquidity Risk Management

Liquidity risk, the risk of being unable to meet financial obligations due to insufficient liquid assets or funding, is managed under a Board-approved ALM policy. The Bank actively monitors both funding liquidity and market liquidity risks, supervised by the Asset Liability Committee (ALCO).

Liquidity assessment employs multiple methodologies including stock, cash flow, and stress testing approaches. Key metrics tracked include the Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Structural Liquidity Statement, and Short-Term Dynamic Liquidity Statement. The Bank maintains a robust Contingency Funding Plan that outlines strategies to address potential liquidity shortfalls, ensuring operational continuity in stressed environments.

Information Security Risk

Recognising the critical importance of information security, we have implemented a comprehensive risk management framework overseen by the Information Security and Cyber Risk Committee and the IT Strategy Committee. Operating under Board-approved policies, the Information Security Team is dedicated to managing cybersecurity risks, including assessments of vendors, technologies, and applications.

During 2024-25, significant strides were made to strengthen data privacy risk management, aligning internal controls with regulatory requirements and embedding privacy into risk assessments. The Bank also established structured evaluation processes for safely integrating emerging technologies, balancing innovation with security.

Operational Risk Management

Operational risk arises from inadequate or failed internal processes, personnel, systems, or external events and includes legal risks (excluding strategic and reputational risks). We have reinforced our Operational Risk Management framework and fostered a risk-aware culture across all business lines and support functions.

Risk Identification and Assessment

All new or modified processes undergo review by the Organisational Operational Risk Function (OORF) via Risk and Control Self-Assessments (RCSA). The Process Approval Panel (PAP) reviews identified risks before process authorisation.

Key Risk Indicators (KRIs)

Monitored quarterly by the Operational Risk Management Committee (ORMC) to track risk trends and corrective actions.

Loss Data Management

Systematic collection and classification of operational loss events facilitate root cause analysis and remediation planning.

High-severity incidents are escalated for focussed control strengthening.

Fraud Risk Management

OORF reviews fraud incidents and preventive measures, reporting to ORMC and the Special Committee of the Board for Monitoring and Follow-up of Frauds (SCBMF).

Third-Party Risk Assessment

The Bank conducts rigorous assessments for third-party service providers, both at pre-onboarding stage and thereafter, at defined periodicity as per approved framework. All such assessments include review of supply chain and related dependencies on fourth and nth parties.

Business Continuity and Disaster Recovery

To ensure uninterrupted customer service during unforeseen events, we have established a zonal Business Continuity Management Committee. This committee meets quarterly to oversee business continuity readiness, including simulations and drills.

A Board-approved annual Business Continuity Plan is deployed across zones, incorporating disaster recovery (DR) exercises, mock scenarios, sudden impact simulations, and call-tree testing. These efforts collectively bolster the Bank's resilience and ability to recover swiftly from disruptions.

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Compliance

At Equitas, compliance is foundational and driven from the very top, reflecting our unwavering commitment to regulatory integrity. Our core philosophy - 'When in doubt, the benefit of the doubt goes to the Regulator, not the Bank' underscores a proactive approach to compliance. Whenever regulatory requirements are unclear, we seek timely clarifications directly from the Regulator. This strong stance is supported by our zero-tolerance policy towards non-compliance and a simple guiding principle embraced across the organisation - Compliance over Everything.

The Compliance Function, led by the Chief Compliance Officer, operates as an independent unit within the Bank. It plays a critical role in identifying, managing, and mitigating compliance risks by formulating appropriate policies, procedures, and oversight mechanisms. This unit ensures the Bank's adherence to all applicable regulatory standards through a comprehensive compliance framework, continuous training on regulatory and conduct risks, and clear communication of compliance expectations across all levels.

Core Responsibilities and Activities

The Compliance team undertakes a broad spectrum of activities focussed on embedding compliance in every facet of the Bank's operations:

1 Regulatory Intelligence and Communication

Continuously monitoring regulatory developments, communicating new rules and amendments to senior management, and assigning responsibilities with clear timelines for implementation.

2 Implementation and Monitoring

Tracking the execution of compliance actions arising from audits, inspections, and regulatory changes, and reporting progress to senior management, the Audit Committee, and the Board.

3 Compliance Risk Assessment

Developing, executing, and monitoring an annual compliance risk assessment plan approved by the Audit Committee, with findings regularly reported.

4 Advisory Services

Supporting operational teams by interpreting regulatory provisions, vetting marketing communications, and engaging with the RBI for clarifications to ensure compliance both in letter and spirit.

5 Policy and Product Oversight

Reviewing and approving new and existing products, policies, and outsourcing arrangements to maintain regulatory compliance and preserve a centralised repository.

6 Risk Monitoring

Assessing compliance risks at both aggregate and detailed levels following Board-approved frameworks and reporting the outcomes systematically.

7 Anti-Money Laundering (AML) Compliance

Establishing and maintaining a robust AML framework to monitor risks arising from transactions, new products, geographic expansions, and customer segments, with regular updates to the Board.

8 Thematic Reviews and Continuous Improvement

Conducting focussed assessments on critical compliance areas and recommending enhancements to mitigate the risk of non-compliance.

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Key Achievements in 2024-25

During the year, the Compliance team made significant strides in strengthening the Bank's control environment and regulatory adherence:

Conducted detailed thematic studies on critical regulatory domains such as Priority Sector Lending (PSL) classification, Credit Information Companies reporting, and generation of duplicate Unique Customer Identification Codes (UCICs).

Enhanced technology-driven controls across key operational areas including Customer Experience, Core Banking System, Payment Operations, Internal Accounts, and Loan Maintenance, with ongoing progress updates submitted monthly to the RBI.

Completed automation of regulatory ratio calculations, and are currently running parallel manual and automated computations to ensure seamless transition.

Maintained rigorous compliance testing and proactively monitored RBI penalties imposed on other banks to benchmark and strengthen the Bank's own compliance posture.

Launched training programmes to instil a strong compliance culture among field staff, focussing on common past lapses and promoting heightened vigilance.

Analysed Suspicious Transaction Reports (STRs) to detect new transaction patterns and typologies, shared priority findings with the Financial Intelligence Unit (FIU), and initiated corrective actions to address identified gaps.

Rolled out Phase I of a compliance workflow system, providing a unified dashboard to track regulatory adherence, with Phase II (covering risk assessment, compliance testing, advisory tracking, and correspondence monitoring) slated for implementation in the first half of 2025-26.

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Strategic Roadmap

Looking ahead, we are focussed on further strengthening our compliance capabilities by establishing a dedicated internal data centre to efficiently manage regulatory information requirements and expanding automation for regulatory data submissions to the RBI's Regulatory Banking System (RBS) – Tranche I. We are also actively collaborating with technology vendors and the RBI Innovation Hub to develop advanced solutions to detect and prevent the onboarding of potential mule accounts, as well as identify mule account activity through transaction monitoring. Additionally, we will continue conducting in-depth thematic reviews on critical regulatory areas such as compromise settlements, technical write-offs, stressed loan sales, IT governance, digital payment security, fraud risk management, and customer risk categorisation, to ensure robust controls and comprehensive compliance across all dimensions.

Internal Audit

The Internal Audit function plays a pivotal role in upholding the financial integrity and regulatory compliance of the Bank, an imperative for any growing financial institution. At Equitas Small Finance Bank (ESFB), Internal Audit operates as an independent and objective function, providing assurance to the Board of Directors and senior management on the robustness of risk management practices, control mechanisms, and governance frameworks. Empowered with adequate authority, resources, and autonomy, the function ensures thorough and unbiased reviews across key operational areas.

We have implemented a Risk-Based Internal Audit (RBIA) framework and designed our annual audit plan that incorporates inputs from management, the Audit Committee of the Board, and regulatory feedback. Audit coverage includes branches, Business Correspondents (BCs), head office functions, assets/credits disbursed, critical processes through concurrent and thematic audits.

A vital part of this framework is the Information System (IS) Audit, which assesses technology infrastructure, cybersecurity, and information security as envisaged by RBI in its guidelines. These audits are conducted by a team of CISA-qualified professionals and CERT-In-empanelled external firms.

Additionally, the department conducts reviews on the adequacy and effectiveness of Internal Financial Controls (IFC) in line with ICAI's audit guidelines for financial reporting (IFC-FR).

The Internal Audit function works in tandem with the second line of defence, risk management and compliance teams, ensuring an integrated and layered approach to governance.

The department is actively developing capabilities to transition from manual, off-site audits to an exception-based audit model, leveraging the Bank's IT infrastructure, thereby enhancing efficiency and coverage.

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Treasury

The Treasury function at ESFB is instrumental in ensuring financial resilience through strategic balance sheet management, liquidity planning, and adherence to regulatory norms. The department is responsible for maintaining compliance with statutory requirements, including the Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), and Basel III guidelines such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Liquidity risk is managed proactively under the Bank's ALCO-defined framework, with adequate buffers maintained to meet both regulatory expectations and internal risk thresholds.

Treasury operations are guided by a seasoned team of professionals adept in balance sheet optimisation and market operations. During the year, Treasury achieved our highest-ever profit of ₹ 142 Crores through investment and trading activities spanning Government Securities, Non-SLR Debt instruments, Equity Markets, and Mutual Funds. This was a result of well-informed asset allocation strategies tailored to prevailing market conditions, economic indicators, and the Bank's risk appetite.

The investment portfolio comprises Treasury Bills, Central and State Government Securities, Equity, Mutual Fund units, and Non-SLR instruments. Treasury actively trades in SLR securities to generate incremental returns, while surplus funds are deployed in Non-SLR instruments to enhance net interest income. We also strengthened our presence in equity markets, both primary and secondary, as part of our broader strategy to diversify income streams.

Further strengthening our capabilities, Treasury established a dedicated Foreign Exchange (FX) Desk during the year, poised to unlock additional revenue opportunities in the coming periods. On the funding side, Treasury successfully raised ₹ 500 Crores through Basel II-compliant Tier II Bonds, marking a milestone as the Bank's first such issuance since commencing operations. Treasury also worked closely with the liabilities team to support deposit mobilisation initiatives, optimise the cost of funds, and broaden the Bank's liability profile. The function continues to leverage strong market relationships to facilitate efficient fund-raising and investment activities, playing a critical role in the Bank's financial strategy and long-term growth.

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Human Resources

At Equitas Small Finance Bank, our people are our greatest strength, embodying our values and shaping our organisational culture. Our journey towards a 'Value-Driven Culture,' initiated in 2018, has evolved through key phases, Values Identification, Awareness Creation, and Reinforcement, leading us towards the final milestone of Alignment and Demonstration. Our mission to 'Create the Most Valuable Bank for All Stakeholders through Happy Employees,' reflects our commitment to keeping our people engaged, motivated, and fulfilled in their roles. Guided by our philosophy of Care and Connect, we are committed to building a 'Happy Workplace' by engaging, enabling, and empowering employees through structured, thoughtful people practices. As on March 31, 2025, our total number of employees stands at 25,409 people.

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Our Core Values

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

Talent Acquisition

Equitas has built a robust talent acquisition framework to attract and onboard the best talent, aligning with the Bank's business needs. A strong focus on technology-driven recruitment, structured onboarding programmes, and strategic partnerships ensures a seamless hiring experience.

HR Technology Platform

Implemented an integrated system to streamline hiring processes, reduce turnaround time, and enhance the candidate experience.

Hire-Train-Deploy Programme

Strengthened our programme for our Liabilities Business, where newly recruited freshers undergo specialised, branch-focussed training before deployment.

Campus Hiring

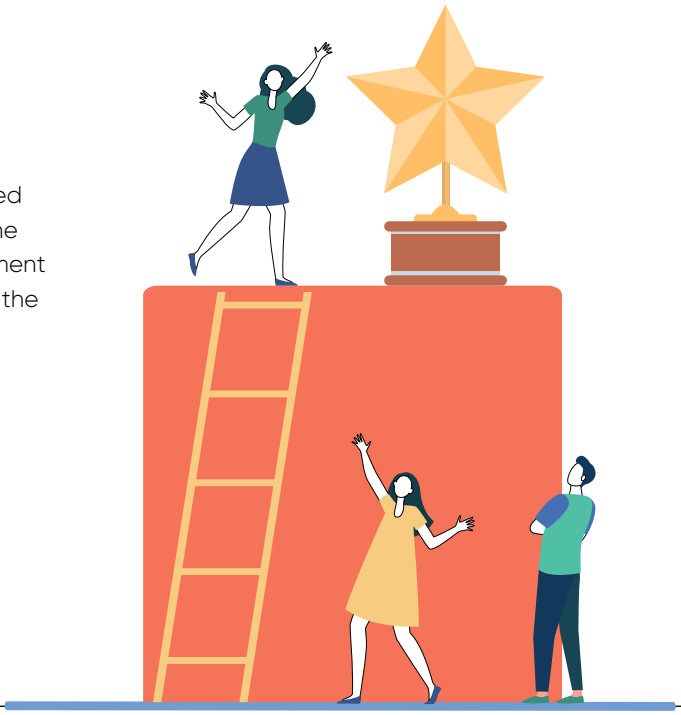
Recruited IT Engineer Graduates from top Tamil Nadu campuses and onboarded Management Trainees from premier B-Schools for corporate functions.

New Business Hiring

Strengthened recruitment capabilities for new businesses, including Credit Cards and Retail Forex, launched during the year.

Diversity and Inclusion

Women employees accounted for 12% of total hires during the year, reinforcing our commitment to diversity and inclusivity at the workplace.



Talent Management

Our talent management approach fosters leadership at all levels, ensuring a steady pipeline of capable professionals ready to drive the Bank's growth. At our core, we believe that each person's unique skills, strengths, and perspectives are vital to our success. We integrate structured development programmes with a culture of continuous learning and engagement.

Induction Programmes

Through initiatives like Aarambh and Integrate - New Joiner Experience, employees are culturally aligned, well-supported, and seamlessly integrated into the ESFB family from day one.

Performance Management and Compensation

Performance framework ensures transparent goal-setting, fair evaluations, competitive compensation, and holistic benefits, empowering employees to grow, perform, and feel valued.

Employee Engagement Practices

Fostering a culture of engagement through holistic wellness programs, creative initiatives, and timely communication, earning us the #1 Ambition Box Employee Choice Award 2024 in the Large Banking and Large Companies categories.

Reward and Recognition

Recognition culture is driven by structured initiatives like the High Achievers Club, Long Service Awards, and a centralised R&R platform that ensures fair, transparent, and brand-aligned appreciation of performance.

Data Driven Agile HR Analytics

Data-driven HR practices leverage predictive analytics, hiring and attrition insights, and real-time BI dashboards to enable proactive, agile, and informed talent decisions across the employee lifecycle.

Beyond Policy Initiatives

Personalised support beyond policies through initiatives like 0% interest emergency loans, leave donation, and enhanced medical coverage to support employees in times of need.

Talent Development

To nurture internal talent, we focus on structured learning programmes that prepare employees for key roles within the organisation. Our initiatives foster career progression, enabling employees to take on greater responsibilities. During the year, participating leaders in the Leadership Development Programme (LDP) undertook cross-functional projects aligned with their development goals.

Aggregator Role Development

Designed training like Leader's Edge and ELEVATE programmes to enhance capabilities in Assets and Liabilities divisions.

Women Leadership Development

A cohort of high-potential women employees was nominated for the '1000 Women Leaders Programme' by Jombay, aimed at accelerating their readiness for leadership roles.

E-Learning Platforms

Leveraged People Strong's e-learning platform (LMS) providing accessible learning opportunities to all our 25,000+ employees.

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Custom Digital Learning Solutions

Developed online modules catering to diverse business functions, work environments, and employee skill levels.

Product and System Training

Conducted system and product enhancement trainings across our pan-India branch network, covering platforms like MS Dynamics CRM, Hetra LoS, and Newgen to strengthen employees' operational proficiency.

Leadership Exposure and Learning

Select CXOs and MANCO leaders participated in industry conferences, seminars, and masterclasses to stay current with emerging technologies, regulatory trends, and ESG developments.

Cultural Initiatives

Our workplace culture is shaped by leadership-driven efforts, peer-driven influence, and structured engagement programmes. These initiatives reinforce our Core Values, fostering an inclusive and high-performance environment.

Culture Development Programmes

Leaders and employees actively promote our values through structured engagement and recognition programmes.

Ethical Excellence Programme

The programme was launched, using structured communications, contests, and real-life scenarios to promote ethical practices under the 'Equitas Way' initiative.

Culture Pulse Survey

Conducted annually, measuring employee engagement and alignment with core values. Received an overall average response score of 4.43 out of 5.00, reflecting high levels of participation and commitment.

Corporate Social Responsibility

At Equitas Small Finance Bank, giving back is a fundamental part of who we are. We believe in standing beside the communities we serve as a true partner in their journey towards a better life. Our CSR efforts are driven by a deep commitment to care, inclusion, and empowerment, ensuring that financial progress goes hand in hand with social well-being.

Through meaningful initiatives in education, skill development, and healthcare, we strive to create lasting change and uplift those who need it the most.

Our CSR philosophy is deeply rooted in transparency, fairness, and a profound understanding of our customers' needs. We are dedicated to empowering them with the knowledge and skills necessary to elevate their lives and contribute positively to the development of their communities. Our approach to CSR is innovative, collaborative, and impactful, striving to forge sustainable change and upliftment.

Our CSR activities include

- Skill Training for Women
- Exhibitions Promoting Women Empowerment
- Initiatives Supporting the Transgender Community
- Job Placements for Youth
- Financial Aid for the Differently Abled

Healthcare Initiatives

Access to quality healthcare is a crucial pillar of our CSR strategy. Our commitment to affordable medical care has led to impactful collaborations and initiatives.

Sringeri Sharada Equitas Hospital (SSEH)

A 100-bed multi-speciality hospital in South Chennai, established in partnership with Sringeri Sharada Mutt, providing accessible and high-quality treatment, with a focus on cancer care and specialised medical services. We have preventive health programmes for regular screenings, health awareness sessions, and medical support for underserved communities.

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Details of CSR Initiatives	Number of Beneficiaries for the Year 2024-25	Number of Beneficiaries as of 2023-24
No. of Eye-Camp Participants (A)	3,05,997	29,99,900
No. of Free Spectacles	16,857	1,27,572
Cataract Operations	3,925	37,392
Vaccination Camp Participants (B)	-	57,52,876
General Medical Camp Participants (C)	3,40,127	43,04,250
Other Camps (Homoeopathy Camps/Ayurveda Camp Participants) (D)	42,011	56,475
Total (Eye Camps + Other Med Camps+ Covid19 + Health Clinic) (A) + (B) + (C) + (D)	7,08,917	1,31,13,501
Sugam Health Clinic Beneficiaries (E)	-	80,029
Veterinary Camp	19,670	28,868
Health Help Line	132	95
No. of Health Camps	5,576	46,498
No. of Vaccination Camp	-	54,252
Health Screening Vehicle Finance Clients	3,034	50,416
Participants in Skill Training Programmes (A)	37,573	6,66,439
EGK Tailoring Centre (B)	140	716
EGK Computer Centre (C)	-	720
Skill Training Programmes (A + B + C)	37,713	6,67,875
Placements for Unemployed Youth	40,393	2,89,524
Swasth Mahila Health Education	4,49,443	9,77,860
Persons with Disability	7,934	1,71,930
Persons with Disability (Visually Impaired)	3,578	30,878
Equitas Birds Nest-Rehab of Homeless	1,471	4,517
Equitas Birds Nest-Rehab of Homeless-Pune	76	24
Equitas Birds Nest-Scholarship	125	2,604
Transgender Inclusion	74	490
Equitas Temporary Market	126	158

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Cautionary Statement

This Management Discussion & Analysis (MD&A) includes 'forward-looking statements' that reflect the Bank's goals, projections, and expectations based on current market trends and assumptions. However, actual results may vary significantly due to a range of risks and uncertainties. These may include the Bank's ability to implement its strategies effectively, fluctuations in non-performing advances, business growth, regulatory changes, credit loss provisions, technological shifts, market risks, investment income, and cash flow fluctuations. Additionally, unforeseen challenges, such as those arising from the COVID-19 pandemic or other external factors, may also impact future outcomes.

Directors' Report

To

The Members

Equitas Small Finance Bank limited

Your Directors have pleasure in presenting the Ninth Annual Report on the business and operations of the Bank, together with the audited Accounts of the Bank for the financial year ended March 31, 2025 (FY 2024-25).

1. Summary of Financial Performance

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024	Y-o-Y %
Deposits & Other Borrowings	45,24,371.09	37,91,673.22	19.32%
Advances	36,20,888.81	30,96,429.99	16.94%
Total Income	7,22,321.41	6,28,507.40	14.93%
Operating Profits (Profits before Provision, Depreciation and Taxation)	1,48,241.65	1,51,178.00	(1.94%)
Less: Depreciation	14,814.93	13,441.56	10.22%
Less: Provision and contingencies	1,13,541.81	31,423.97	261.32%
Less: Provision for Taxation	5,179.92	26,416.45	(80.39%)
Net Profit	14,704.99	79,896.02	(81.59%)
Add: Profit brought forward	93,682.19	59,863.87	56.49%
Add: Reversal of ESOP Cost on Lapse of options	357.58	48.31	640.18%
Total	1,08,744.76	1,39,808.20	(22.22%)
Appropriations			
Transfer to Statutory Reserve	3,676.25	19,974.01	(81.59%)
Transfer to Special Reserve	723.85	1,946.48	(62.81%)
Transfer to Capital Reserve	1,231.13	114.75	972.88%
Transfer to Investment Reserve	-	177.94	(100.00%)
Transfer to Investment Fluctuation Reserve	2,000.00	12,750.00	(84.31%)
Dividend pertaining to previous year paid during the year	11,366.47	11,162.83	1.82%
Balance carried over to Balance Sheet	89,747.06	93,682.19	(4.20%)
Total	**1,08,744.76**	**1,39,808.20**	**(22.22%)**

2. Dividend

Considering the need to preserve capital to support growth and expansion, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2025.

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the RBI guidelines, the Bank has formulated and adopted a Dividend Distribution Policy and the same is available on the website of the Bank **Click here**

3. Transfer to Reserves

As per the requirement of RBI Regulations, the Bank has transferred the following amounts to various reserves during the year ended March 31, 2025.

Amount transferred to	₹ in Lakhs
Statutory Reserve	3,676.25
Special Reserve	723.85
Capital Reserve	1,231.13
Investment Fluctuation Reserve	2,000.00

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4. Deposits

Being a Bank, the disclosures relating to deposits as required under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014 read with Sections 73 and 74 of the Companies Act, 2013 (" the Act") are not applicable. The Bank receives and accepts deposits, the details of which are enumerated in the financial statements for FY 2024-25.

5. Capital Adequacy

The Capital Adequacy Ratio stood at 20.60% as on March 31, 2025 as against the minimum requirement of 15% stipulated by the Reserve Bank of India (RBI). The Net Worth of the Bank as on the said date was ₹ 6,07,252.03 Lakhs.

6. Material changes and commitments affecting the Financial Position of the Bank after the Balance Sheet date as on March 31, 2025

There were no material changes and commitments between the end of Financial Year 2024-25 and the date of this report, affecting the financial position of the Bank.

7. Information about Financial Performance / Financial Position of the Subsidiaries, Associates and Joint Venture Companies

The Bank does not have any Subsidiaries, Associates and Joint Venture Companies.

8. Operational highlights and state of the Bank's affairs

The details of operations and state of affairs are given in the Management Discussion and Analysis [MD&A] Report.

9. Management Discussion and Analysis Report on Corporate Governance and Business Responsibility and Sustainability Report

The Management Discussion and Analysis Report as stipulated under Regulation 34(2) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance for the FY 2024-25 along with the General Shareholder Information and the Business Responsibility and Sustainability Report under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this annual report.

10. Corporate Social Responsibility (CSR)

The Bank has laid down a Corporate Social Responsibility (CSR) Policy, which is available on our website. **Click here**. The CSR policy of the Bank establishes the framework, enabling Bank to carry out CSR activities for improving the quality of life of the underprivileged sections of the society through multi-faceted interventions in education, healthcare, skill development and dignified living conditions. The policy was amended by the Board of Directors on June 27, 2025 to give effect to the changes as mandated under the applicable laws.

The Bank contributes 5% of its previous year's net profits or 2% of average net profits made during the preceding three financial years, whichever is higher to Equitas Development Initiatives Trust (EDIT) and Equitas Healthcare Foundation (EHF), registered Public Charitable Trusts for carrying out CSR activities on its behalf. A report in this regard is enclosed as **Annexure A**.

The Bank has constituted a CSR Committee, which:

a) Recommends to the Board an annual activity plan in line with the CSR policy and CSR contribution of the Bank for the year.

b) Monitors the implementation of the plan as approved.

c) Reviews and recommends changes to the policy from time to time.

11 (a) Share Capital

During the year, there has been no change in the Authorized Share Capital of the Bank. The Bank has allotted in aggregate 49,75,142 equity shares to the eligible employees of the Bank under the ESFB Employees Stock Option Scheme, 2019. The Paid-up Share Capital of the Bank as on March 31, 2025 is ₹ 1,139,86,24,210/- comprising of 1,13,98,62,421 equity shares of Rs.10/- each.

11 (b) Issue of debentures / Non-Convertible securities

During the year, 50,000 Rated, Listed, Unsecured, Subordinated, Redeemable, Non-Convertible Debentures having a face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating ₹ 500 crores ("NCDs") [which includes a green shoe option of up to ₹ 250,00,00,000/- (Rupees Two

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Hundred and Fifty Crores only)] were issued on Private Placement basis. The details pertaining to the aforesaid issuance of securities are as follows:

Date of issue	Date of allotment	Coupon rate	Date of maturity	Brief details of the debt restructuring pursuant to which the securities are issued
November 08, 2024	December 05, 2024	9.6% (Nine Decimal Point Six Percent) Per Annum	December 05, 2030	Issuance of non-convertible debentures is for augmenting Tier-II capital and for general corporate purposes

12. Meetings of the Board

During the FY 2024-25, our Board had met Nine (9) times. The details of 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 Companies Act, 2013 & the relevant Rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Committees

The details pertaining to the Audit Committee and other Committees of the Board are provided in the Corporate Governance section forming part of this report. All the recommendations made by the Audit Committee during the year were accepted and implemented by the Board. The changes in the composition of the Committees of the Board during the reporting period are disclosed in the Corporate Governance Report.

13. Directors and Key Managerial Personnel (KMP)

As on the date of this Report, the Bank has Eleven (11) Directors, out of which, there are Nine (9) Independent Directors including a Woman Independent Director and Two (2) Whole Time Directors.

Change in Directors & KMPs

Following were the changes in composition of the Board of Directors and Key Managerial Personnel:

Appointment of Part-time Chairman and Independent Directors

- Appointment of Mr. Anil Kumar Sharma (DIN: 08537123) as the Part-time Chairman of the Bank (Non-Executive) for a period of three (3) years, effective from April 25, 2024 until April 24, 2027 and Independent Director of the Bank for a period of Five (5) years with effect from April 25, 2024 until April 24, 2029 (both days inclusive), not liable to retire by rotation, as approved by the RBI vide its letter dated April 04, 2024 and the Members through Postal Ballot by way of e-voting on June 06, 2024.
- Appointment of Dr. Gulshan Rai (DIN: 01594321) as an Independent Director of the Bank with effect from March 28, 2024 until April 08, 2028 (both days inclusive) not liable to retire by rotation, as approved by the Members through Postal Ballot by way of e-voting on June 06, 2024.
- Appointment of Mr. Narayanan Rajagopalan Nadadur (DIN: 07877022), Mr. Keezhayur Sowrirajan Sampath (DIN: 07924755) and Mr. Ramkumar Krishnaswamy (DIN: 00244711) as Independent Directors of the Bank for a term of three years with effect from July 16, 2024 until July 15, 2027 (both days inclusive) not liable to retire by rotation, as approved by the Members of the Bank at the Eighth Annual General Meeting held on September 10, 2024.

Re-appointment of Independent Director

- Re-appointment of Mr. Navin Puri (DIN: 08493643) as an Independent Director of the Bank for a second consecutive term of three years effective from August 01, 2024 until July 31, 2027 (both days inclusive), not liable to retire by rotation, as approved by the Members of the Bank at the Eighth Annual General Meeting held on September 10, 2024.

  In the opinion of the Board, the Independent Directors appointed / re-appointed as mentioned above possess requisite integrity, qualification, experience, proficiency, and fulfill the criteria of independence and expertise, as stipulated by the applicable Rules and Regulations, which would immensely benefit the Bank.
- Mr. Ramesh Rangan was appointed as an Independent Director of the Bank for a period of five years effective from November 09, 2020. As per the provisions of Section 149 of the Companies Act, 2013 ("the Act") and other applicable provisions, if

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any, an Independent Director shall hold office for a term of five consecutive years on the Board of the Bank and is eligible for re-appointment for a second consecutive term on passing of special resolution. In accordance with Section 10A (2A) of the Banking Regulation Act, 1949, no Director of a Banking company, other than its Chairman or Whole Time Director, by whatever name called, shall hold office continuously for a period exceeding eight years. Mr. Ramesh Rangan would complete five years as an Independent Director of the Bank on November 08, 2025.

Further, based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on June 27, 2025 had approved the re-appointment of Mr. Ramesh Rangan as an Independent Director of the Bank for a period of Three (3) years effective November 09, 2025 until November 08, 2028, not liable to retire by rotation, subject to the approval of the Members of the Bank. The aforesaid re-appointment has been placed for approval of the Members at the ensuing Annual General Meeting of the Bank.

The Board, based on the performance evaluation and recommendation of Nomination & Remuneration Committee considers that given his background, experience and contribution, the continued association of Mr. Ramesh Rangan as an Independent Director in the Board of the Bank and as a member of various Committees of the Board would be of immense benefit to the Bank.

Appointment of Executive Director (Whole-time Director) & KMP

RBI vide its circular no. RBI/2023- 24/70 DOR.HGG.GOV.REC.46 /29.67.001/2023- 24 dated October 25, 2023 had advised Commercial Banks to ensure the presence of at least two Whole Time Directors (WTDs), including the Managing Director & Chief Executive Officer, on the Board of Banks. In adherence with the aforesaid circular, the Nomination & Remuneration Committee had assessed the candidature of Mr. Balaji Nuthalapadi (DIN: 08198456) for the office of the Whole-time Director of the Bank and having found him to be 'fit and proper' in terms of the extent RBI Circulars on 'fit and proper' criteria for directors of banks, recommended his appointment to the Board.

Further, the Board of Directors of the Bank, at its meeting held on July 15, 2024 had approved and recommended the candidature of Mr. Balaji Nuthalapadi, for the position of Whole-time Director (Executive Director) to RBI for its approval.

RBI, vide its letter no. DoR.GOV.No.S5496/29.44.002/2024-2025 dated December 11, 2024, had accorded its approval for the appointment of Mr. Balaji Nuthalapadi (DIN: 08198456) as Whole-time Director (Executive Director) of the Bank for a period of three (3) years with effect from the date of his taking charge, along with applicable terms and conditions including compensation.

In line with the approval granted by RBI and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board at its meeting held on March 28, 2025, co-opted Mr. Balaji Nuthalapadi as an Additional Director in the category of Whole-time Director, liable to retire by rotation and designated him as Executive Director ("ED") and classified him as one of the Key Managerial Personnel of the Bank to hold office as such from the date of his taking charge, i.e., March 29, 2025 till the approval of Members within a period of three months from the date of his appointment as an Additional Director.

The appointment of Mr. Balaji Nuthalapadi (DIN: 08198456) as the Executive Director (Whole-time Director) was approved by the Members through Postal Ballot by way of e-voting on June 15, 2025.

Retirement & Resignation

- Mr. Arun Ramanathan (DIN: 00308848) ceased to be the Part-time Chairman and Independent Director of the Bank from the close of business hours on April 24, 2024 consequent to the completion of his tenure.
- Mr. Vinod Kumar Sharma (DIN: 02051084), Mr. Arun Kumar Verma (DIN: 03220124), and Prof N Balakrishnan (DIN: 00181842) ceased to be the Independent Directors of the Bank from the close of business hours on September 01, 2024, September 04, 2024 and September 21, 2024, respectively consequent to the completion of their tenure.
- Mr. N Srinivasan (DIN: 01501266) had tendered his resignation as an Independent Director of the Bank with effect from close of business hours on July 26, 2024 due to personal commitments.

The Board places on record its sincere appreciation for the remarkable contributions made by the aforesaid Independent Directors during their association with the Bank.

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Directors liable to retire by rotation

Section 152 of the Companies Act, 2013 provides that two-thirds of the total number 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) of the Companies Act, 2013, 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.

In compliance with the aforesaid section and the Articles of Association of the Bank, Mr. Vasudevan P N, MD & CEO will retire by rotation at the ensuing AGM of the Bank and being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment and the same has been placed for approval of the Members at the ensuing Annual General Meeting.

The detailed profile of Mr. Vasudevan P N, MD & CEO seeking re-appointment at the ensuing AGM as required under Secretarial Standard 2 on General meetings and Regulation 36 of the SEBI Listing Regulations is provided as an Annexure to the notice of AGM.

Familiarisation Programme

The Bank has familiarised the Independent Directors of the Bank of their roles and responsibilities in the Bank, of the industry in which the Bank operates, business model of the Bank, etc., the details of the familiarisation programmes imparted to Independent Directors are available in the website of the Bank **Click here.**

Key Managerial Personnel (KMP)

In terms of Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank had the following KMPs as on March 31, 2025:

S. No.	Name of the Key Managerial Personnel	Designation
1	Mr. Vasudevan P N	Managing Director & Chief Executive Officer (MD & CEO)
2	Mr. Balaji Nuthalapadi	Executive Director (Whole-time Director)
3	Mr. Sridharan N	Chief Financial Officer (CFO)
4	Mr. Ramanathan N	Company Secretary (CS)

Mr. Balaji Nuthalapadi was appointed as the Executive Director (Whole-time Director) of the Bank and classified as one of the Key Managerial Personnel of the Bank with effect from March 29, 2025.

14. Declaration from Independent Directors

The Board has received declaration from the Independent Directors as required under Section 149(7) of the Act and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board has assessed the confirmations submitted by the Independent Directors and had taken the same on record. In the opinion of the Board, all the Independent Directors are independent of the Management.

15. Evaluation of performance of the Board and its Committees

The performance of the Board, Committees of the Board, Chairman and individual Directors were evaluated on the basis of criteria as approved by the Board. The manner of performance evaluation included the process of obtaining feedback by way of a structured questionnaire, covering aspects pertaining to the roles and functions, as applicable. The Directors actively participated in the evaluation process and provided their feedback. The consolidated feedback were shared with the respective Directors and feedback relating to the Committees and the Board were discussed in the respective Committees

16. Policy on Directors' appointment, remuneration and other details

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Bank has formulated and adopted the Policy for Selection and Appointment of Directors **Click here** and Remuneration & Benefits Policy, which are available on our website **Click here**. The said policies provide a framework for the appointment and remuneration of Directors (including Independent Directors) as per the criteria formulated by the Nomination & Remuneration Committee of the Board in compliance with the requirement of the Act read with the relevant rules made thereunder and the SEBI (Listing Obligations

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and Disclosure Requirements) Regulations, 2015. The policies were amended by the Board of Directors on March 28, 2024 to make it more robust and effective complying with regulatory / statutory requirements.

17. Directors' Responsibility Statement

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

i) In the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures

ii) such accounting policies as specified in Schedule 17 to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2025 and of the profit of the Bank for the year ended on that date,

iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities,

iv) annual accounts have been prepared on a going concern basis,

v) internal financial controls to be followed by the Bank were laid down and the same were adequate and were operating effectively, and

vi) proper systems to ensure compliance with the provisions of all applicable laws was in place and the same were adequate and operating effectively.

18. Overall remuneration

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

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Details of remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

(i) Ratio of remuneration of each Director with median employees remuneration.

The ratio of remuneration of each Director to median employee remuneration is as below:

Name of the Director & Designation	Ratio
Mr. Arun Ramanathan, Part time Chairman & Independent Director*	4.51:1
Mr. Anil Kumar Sharma, Part time Chairman & Independent Director#	4.51:1
Mr. Vinod Kumar Sharma, Independent Director*	2.82:1
Mr. Arun Kumar Verma, Independent Director*	3.78:1
Prof. Balakrishnan N, Independent Director*	2.82:1
Mr. Srinivasan N, Independent Director*	2.82:1
Mr. Navin Puri, Independent Director	2.82:1
Mr. Ramesh Rangan, Independent Director	2.82:1
Prof. Samir Kumar Barua, Independent Director	2.82:1
Ms. Geeta Dutta Goel, Independent Director	2.82:1
Dr. Gulshan Rai, Independent Director	2.82:1
Mr. K S Sampath, Independent Director#	4.23:1
Mr. Narayanan N R, Independent Director#	2.82:1
Mr. Ramkumar Krishnaswamy, Independent Director#	2.82:1
Mr. Vasudevan P N, MD & CEO	70.24:1
Mr. Balaji Nuthalapadi, Executive Director#	67.7:1

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		Notes: * Mr. Arun Ramanathan (DIN: 00308848) ceased to be the Part-time Chairman and Independent Director of the Bank from the close of business hours on April 24, 2024 consequent to the completion of his tenure. Mr. Vinod Kumar Sharma (DIN: 02051084), Mr. Arun Kumar Verma (DIN: 03220124), and Prof N Balakrishnan (DIN: 00181842) ceased to be the Independent Directors of the Bank from the close of business hours on September 01, 2024, September 04, 2024 and September 21, 2024, respectively consequent to the completion of their tenure. Mr. N Srinivasan (DIN: 01501266) had tendered his resignation as an Independent Director of the Bank with effect from close of business hours on July 26, 2024 due to personal commitments. #Mr. Anil Kumar Sharma (DIN: 08537123) was appointed as the Part-time Chairman of the Bank (Non-Executive) for a period of three (3) years, effective from April 25, 2024 until April 24, 2027 and Independent Director of the Bank for a period of five (5) years with effect from April 25, 2024 until April 24, 2029 (both days inclusive). Mr. Narayanan Rajagopalan Nadadur (DIN: 07877022), Mr. Keezhayur Sowrirajan Sampath (DIN: 07924755) and Mr. Ramkumar Krishnaswamy (DIN: 00244711) were appointed as the Independent Directors of the Bank for a term of three years with effect from July 16, 2024 until July 15, 2027 (both days inclusive). Mr. Balaji Nuthalapadi was appointed as the Executive Director (Whole-time Director) of the Bank and classified as one of the Key Managerial Personnel of the Bank with effect from March 29, 2025. The remuneration to the Independent Directors does not include the sitting fee. The Whole-time Directors of the Bank are not paid any sitting fee.
(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	There was no increase in the remuneration paid to the Independent Directors during the financial year 2024-25. The increase in remuneration of Key Managerial Personnel is provided below: Chief Executive Officer - 8% Chief Financial Officer - 12%** Company Secretary - 22%** **Does not include perquisite value
(iii)	the percentage increase in the median remuneration of employees in the financial year	8%
(iv)	the number of permanent employees on the rolls of the Bank as on March 31, 2025	25,409

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(v)	Average percentage 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 9% and for KMP the increase was in the varying range of 8% to 22% for the financial year 2024-2025. The increase during the year is based on remuneration policy of the Bank and reflects the Bank's reward philosophy as well as the results of the salary benchmarking exercise.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Bank	The Management affirms that the remuneration is as per the remuneration policy of the Bank.

In accordance with Section 136 of the Companies Act, 2013, the report and accounts are being sent to the Members and others entitled thereto, excluding the statements prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The aforesaid information is available for inspection at the Registered Office of the Bank during the business hours on any working day of the Bank. If any Member is interested in obtaining a copy, such Member may write to the Company Secretary in this regard at cs@equitasbank.com

19. Whistle Blower Policy / Vigil Mechanism

The Bank has adopted a Whistle Blower Policy and Vigil Mechanism in compliance with the relevant provisions of the Act and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy provides an opportunity to address the concerns of the Employees & the Directors in relation to any fraud, malpractice or any other activity or event which is against the interest of the Bank or society as a whole. The Policy is available on the Bank's website **Click here**

During the year under review, the Bank received 'Ten (10)' complaints under the Whistle Blower Policy of the Bank. The functioning of the mechanism is reviewed by the Audit Committee from time to time. No personnel of the Bank has been denied access to the Audit Committee.

20. Credit Ratings

The details of the credit ratings are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

21. Auditors & their Report

Reserve Bank of India ("RBI") has on April 27, 2021, issued the Guidelines for Appointment of Statutory Central Auditors / Statutory Auditors of Commercial banks which are applicable from FY 2021-22 ("RBI Guidelines"). The RBI Guidelines has capped the term of Statutory Auditors at three years, replacing the earlier cap of four years.

The Board of Directors of the Bank at their meeting held on June 14, 2023 on the recommendation of the Audit Committee had appointed M/s. A S A & Associates LLP, Chartered Accountants (Firm Registration No: 009571N/N500006) as one of the Joint Statutory Auditors for the period from FY 2023-24 to FY 2025-2026, which was approved by the Members at the Seventh AGM held on August 29, 2023. The appointment was approved by the RBI for FY 2023-2024 vide its letter dated July 07, 2023.

Further, consequent to the completion of term of M/s. Varma and Varma, Chartered Accountants at the conclusion of the Eighth AGM of the Bank, the Board of Directors at their meeting held on April 24, 2024, on the recommendation of the Audit Committee, considered and approved the appointment of M/s. Suri & Co, Chartered Accountants (Firm Registration No. 004283S) as one of the Joint Statutory Auditors for the period from FY 2024-2025 to FY 2026-2027 , which was approved by the Members at the Eighth AGM held on September 10, 2024. RBI has accorded its approval for the aforesaid appointment vide its letter dated May 22, 2024.

As per the RBI guidelines, the appointment of Joint Statutory Auditors shall be subject to annual approval from Reserve Bank of India.

The Audit Committee of the Board had reviewed the performance of M/s. A S A & Associates LLP,

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Chartered Accountants and M/s. Suri & Co, Chartered Accountants during the financial year 2024-2025 and their independence by taking note of the eligibility letters received from the Auditors stating that they continue to satisfy the criteria provided in Section 141 of the Companies Act, 2013 and RBI Regulations and their continuance, if approved, will be in accordance with the conditions prescribed under the Companies Act, 2013 and Rules made thereunder as well as the applicable RBI Regulations and had accordingly recommended their continuance to the Board.

The Board of Directors of the Bank at its Meeting held on May 30, 2025 considered the recommendation of Audit Committee and approved the re-appointment of M/s. A S A & Associates LLP, Chartered Accountants and M/s. Suri & Co, Chartered Accountants, as the Joint Statutory Auditors for the FY 2025-2026 as they continue to satisfy the eligibility Norms as per the RBI guidelines, subject to the approval of RBI. RBI has approved the aforesaid appointment vide its letter dated July 11, 2025.

Auditors' Report:

There are no qualifications, reservations or adverse remarks made by the Joint Statutory Auditors of the Bank, M/s. A S A & Associates LLP, Chartered Accountants and M/s. Suri & Co, Chartered Accountants in their report on the financial statements for the FY 2024-2025.

Further, there any no instances of frauds committed in the Bank by its officers or employees during the period, under sub-section (12) of section 143 of the Act other than those which are reportable to the Central Government.

22. Details of Employee Stock Options Scheme (ESOS)

The Bank, pursuant to the resolutions passed by the Board and the Members of the Bank on January 31, 2019, adopted the ESFB Employee Stock Option Scheme (ESOS), 2019 ("ESFB ESOP 2019"). The Bank had amended the ESFB ESOP 2019 pursuant to the resolutions of the Board and Members of the Bank dated November 7, 2019 & November 22, 2019 respectively.

Post listing of Equity shares of the Bank, the ESFB ESOP 2019 was ratified by the Members by way of special resolution dated February 08, 2021 as required by Regulation 12 of erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014. Further, as recommended by the Nomination & Remuneration Committee of the Board, the Board of Directors at its Meeting held on January 28, 2022 had approved modifications to the ESFB ESOP 2019 aligning the scheme as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

As per the scheme approved, the Bank is entitled to grant an aggregate number of up to 11,00,00,000 options under ESFB ESOP 2019. The objective is to enable the Bank to attract and retain the best available talent to contribute and share in the growth of the Bank.

The Scheme is administered by the Nomination & Remuneration Committee constituted by the Board of Directors of the Bank. There were no material changes in the Employee Stock Option Scheme and the Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. A certificate from CS S Rajendran, Managing Partner, M/s. Shanmugam Rajendran & Associates LLP, Practicing Company Secretaries and the Secretarial Auditor of the Bank, that the Employee Stock Option Scheme has been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and is in accordance with the resolutions passed by the Members of the Bank is enclosed as **Annexure B**.

The disclosures as mandated under the provisions of Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is available on our website **Click here**

Information as required under Section 62 of the Companies Act, 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 is as below:

Particulars	Total
Number of options granted during the year	97,29,111
Number of options forfeited / lapsed during the year	53,03,753
Number of options vested during the year	96,62,126
Number of options exercised during the year	49,75,142
Number of shares arising as a result of exercise of options	49,75,142
Money realized by exercise of options (INR), if scheme is implemented directly by the company	23,28,59,688
Loan repaid by the Trust during the year from exercise price received	NA

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Particulars	Total
Option Granted but not vested	1,02,55,703
Options Vested but not exercised	1,75,34,698
Options Available for Grant	3,88,20,154

Employee wise details of the Options granted to

A) Key Managerial Personnel

S. No.	Name of the Employee	Designation	No. of options granted	Exercise price	% of Options granted
1	Mr. Vasudevan P N	MD & CEO	8,31,655	63.98	8.55%
2	Mr. Balaji Nuthalapadi	Executive Director	Nil	Nil	Nil
3	Mr. Sridharan N	CFO	1,44,360	98.19	1.48%
4	Mr. Ramanathan N	Company Secretary	34,420	98.19	0.35%

B) any other employee who receives a Grant of options in any one year, of options amounting to 5% or more of options granted during that year:

S. No.	Name of Employee	Designation	No. of options granted	Exercise Price	% of options granted
1	Mr. Murali Vaidyanathan	Senior President & Head Liabilities	5,04,312	98.19	5.18%
2	Mr. Rohit Gangadharrao Phadke	Senior President	5,04,312	98.19	5.18%

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C) identified employees who were granted option, during any one year, equal to or exceeding 1%of the issued capital (excluding outstanding warrants and Conversions) of the Company at the time of Grant. - **NIL**

23. Secretarial Auditor

The Secretarial Audit Report issued by CS S Rajendran, Managing Partner, M/s. Shanmugam Rajendran & Associates LLP, Practicing Company Secretaries (C.P.NO.14055) is enclosed as **Annexure C**. The Bank has complied with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year. There are no qualifications or adverse remarks made by the Secretarial Auditor.

The Securities and Exchange Board of India ("SEBI") vide Notification No. SEBI/LAD-NRO/GN/2024/218 had introduced 'Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024' effective from December 31, 2024. As per the aforesaid regulations, a listed entity shall appoint or re-appoint an individual as Secretarial Auditor for not more than one term of five consecutive years or a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of its Shareholders in its Annual General Meeting.

In adherence with the aforesaid regulations, the Board of Directors of the Bank based on the recommendation of the Audit Committee had approved the appointment of M/s. Shanmugam Rajendran & Associates LLP, Practicing Company Secretaries, Chennai as the Secretarial Auditor of the Bank for a term of Five (5) consecutive years from FY 2025- 2026 to FY 2029-2030 which is subject to the approval of Members of the Bank at the ensuing Annual General Meeting.

24. Further information as per Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

- During the FY 2024-25, the Bank had no activity relating to conservation of energy or technology absorption.
- During the FY 2024-25, the total foreign exchange earned by the Bank was Nil and the total foreign exchange outgo of the Bank during the year was ₹ 556.79 lakhs.

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25. Particulars of contracts or arrangements with related Parties

All contracts / arrangements / transactions entered by the Bank during the Financial Year 2024-2025 with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Bank had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Bank on materiality of related party transactions or which is required to be reported as per Section 188 and other applicable provisions, if any, of the Act read with the Rules made thereunder.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act (Form AOC-2) is not applicable to the Bank for the reporting period and hence does not form part of this report. The Policy on Related Party Transactions is available in the website of the Bank **Click here**

26. Risk Management

The Bank has formulated and adopted a robust Risk Management framework. The Bank has also constituted Risk Management Committee of the Board, which periodically reviews the risks faced by the Bank and the practices/ processes followed to manage them. Details of the same are covered in the MD&A report.

27. Internal Financial Controls

The Bank has clear delegation of authority and standard operating procedures, which are in accordance with the approved policies of the Bank. These measures help in ensuring that adequacy of internal financial controls commensurates with the nature and size of operations of the Bank. The Board also reviews the adequacy and effectiveness of the Bank's internal financial controls with reference to the financial statements. The procedures and internal controls provide reasonable assurance on the preparation of financial statements and the reliability of financial reporting. The Bank also ensures that the internal controls are operating effectively.

28. IND-AS Implementation

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), converged with International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and Non-Banking Financial Companies (NBFCs). However, currently the implementation of Ind AS for banks has been deferred by RBI till further notice pending the consideration of some recommended legislative amendments by the Government of India. The Bank is in an advanced stage of preparedness for implementation of Ind AS, as and when these are made applicable to the Indian banks.

As required by the RBI guidelines, the accounts of the Bank are converted into Ind AS format and submitted to the RBI at periodic intervals. The Bank carries out the Expected Loss provisioning using Probability of Default (PD) and Loss Given Default (LGD) by considering historical data for the purpose of IND AS pro-forma reporting and product pricing. The Bank has put in a place a comprehensive Expected Credit Loss Framework.

29. Loans / Guarantees / Investments

Pursuant to Section 186 (11) of the Companies Act, 2013, the provisions of Section 186 of Companies Act, 2013, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a Banking Company in the ordinary course of business. The particulars of investments made by the Bank are disclosed in **Schedule 8** of the Financial Statements as per the applicable provisions of Banking Regulation Act, 1949.

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

The Bank has in place, a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The particulars of complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the FY 2024-2025 are as follows:

a. Number of complaints filed during the financial year: 18

b. Number of complaints disposed of during the financial year: 15

c. Number of complaints pending as on end of the financial year. : 3

d. Number of cases pending for more than ninety days: 0

The Bank has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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31. Compliance with the Maternity Benefit Act, 1961

The Bank has complied with the provisions relating to the Maternity Benefit Act, 1961.

32. Depository System

As the Members are aware, the Bank's Equity Shares are tradable in electronic form. As on March 31, 2025, out of the Bank's total equity paid up share capital comprising of 1,13,98,62,421 Equity Shares, only 115 equity shares were in physical form and the remaining shares were in electronic form. In view of the numerous advantages offered by the Depository System, the Member(s) holding shares in physical form are advised to avail the facility of dematerialisation.

33. GENERAL DISCLOSURE

The Annual Return under MGT-7 as required under the Companies Act, 2013 is available on the website of the Bank **Click here**.

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the future operations of the Bank.

There are no agreements entered into as per clause 5A to para A of part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- There has been no change in nature of business of Bank
- Issue of equity shares with differential rights as to Dividend, voting or otherwise pursuant to the provisions of Section 43 of the Act and Rules made thereunder
- The Bank has not issued any warrants
- The Bank has not bought back its shares, pursuant to the provisions of Section 68 of Act and the Rules made thereunder
- The financial statements of the Bank were not revised
- The Bank has not failed to implement any corporate action
- There was no application made / proceeding pending under the Insolvency and Bankruptcy Code, 2016
- Managing Director or the Whole-time Directors of your Bank received any remuneration or commission during the year, from any of its subsidiaries – Not Applicable as the Bank does not have any subsidiaries
- The Bank has not issued Sweat Equity Shares to its Directors or the employees of the Bank under any scheme
- The details regarding the difference in valuation between a one-time settlement and valuation for obtaining loans from banks or financial institutions, along with reasons, are not applicable
- The Bank has not made any provisions of money or has not provided any loan to the employees of the Bank for purchase of shares of the Bank , pursuant to the provisions of Section 67 of the Act and Rules made thereunder
- Being a banking company, provisions of section 148(1) of the Act, relating to maintenance of cost records is not applicable

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Acknowledgement

The Board of Directors are grateful to RBI, SEBI, Stock Exchanges, Depositories, other Government and Regulatory Authorities, other Banks and Financial Institutions for their support and guidance. The Directors place on record their sincere thanks to the valued constituents of the Bank for their support and patronage and their deep sense of appreciation to all the employees of the Bank for their unstinted commitment to the growth of the Bank.

For and on behalf of the Board of Directors

Vasudevan P N
MD & CEO
DIN:01550885

Anil Kumar Sharma
Part-time Chairman
DIN:08537123

Place : Chennai
Date : June 27, 2025

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Corporate Social Responsibility (CSR) Report

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

1. Brief outline on CSR Policy of the Company:

CSR Policy of the Bank is available on our website, **click here**. As per the CSR Policy, the Bank makes contribution up to higher of 5% of its net profits of the immediately preceding financial year or 2% of average profits of the Bank for the past three years for undertaking such CSR projects or activities as approved for the year. The CSR Committee and the Board oversees the projects undertaken by implementing agencies. A brief note on various projects undertaken by the Bank is enclosed as **annexure**.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Geeta Dutta Goel	Independent Director	2	2
2	Mr. N Srinivasan^	Independent Director	2	1
3	Mr. Anil Kumar Sharma^^	Part-time Chairman &Independent Director	2	1
4	Prof. Samir Kumar Barua	Independent Director	2	2
5	Mr. Ramkumar Krishnaswamy^^	Independent Director	2	-
6	Mr. Vasudevan P N	MD & CEO	2	2

^ Mr. N Srinivasan was a member of the Corporate Social Responsibility Committee till July 15, 2024.

^^ Mr. Anil Kumar Sharma and Mr. Ramkumar Krishnaswamy were appointed as the members of the Corporate Social Responsibility Committee with effect from July 16, 2024.

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3. The web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Bank at **click here** and **here**.

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable, is disclosed on the website of the bank at **click here**.

5. (a) Average net profit of the company as per sub-section (5) of section 135 – ₹ 78,663.45 lakhs.

(a) Two percent of average net profit of the company as per sub-section (5) of section 135 – ₹ 1,573.27 lakhs

(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - Nil

(c) Amount required to be set-off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year [(b)+(c)-(d)] – ₹ 1,573.27 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ 3,990 lakhs

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment – Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ 3,990 lakhs.

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(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub- section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,990	Nil	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (₹ in lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	1,573.27
(ii)	Total amount spent for the Financial Year	3,990.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	2,416.73
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	2,416.73

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Amount Spent in the Financial Year (in ₹ lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of Transfer		
1	FY 23-24	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY 22-23	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY 21-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Yes

If Yes, enter the number of Capital assets created/ acquired 17

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No. (1)	Short particulars of the property or asset(s) [including complete address and location of the property] (2)	Pincode of the property or asset(s) (3)	Date of creation (4)	Amount spent on CSR (₹ in lakhs) (5)	Details of entity/ Authority/ beneficiary of the registered owner (6)		
					CSR Registration Number, if applicable	Name	Registered address
Sringeri Sharada Equitas Cancer cum Multi Speciality Hospital, Gowrivakkam, Chennai							
1	Medical equipments	NA	April 1, 2024 to March 31, 2025	1389.64	CSR00002381	Equitas Healthcare Foundation	Chennai
2	Plant & Machinery	NA	April 1, 2024 to March 31, 2025	2.15			
3	Computers and Accessories	NA	April 1, 2024 to March 31, 2025	2.14			
4	Office Equipments	NA	April 1, 2024 to March 31, 2025	1.40			
5	Electrical fittings	NA	April 1, 2024 to March 31, 2025	2.09			
6	Vehicles	NA	April 1, 2024 to March 31, 2025	1.03			
7	Surgical Instruments	NA	April 1, 2024 to March 31, 2025	21.42			
8	Furniture & Fixtures	NA	April 1, 2024 to March 31, 2025	19.13			
Equitas Development Initiatives Trust							
9	Computers (including Software)	NA	April 1, 2024 to March 31, 2025	42.18	CSR00001339	Equitas Gurukul Matriculation Higher Secondary School	Trichy, Dindigul, Coimbatore, Salem, Karur, Cuddalore, Kumbakonam
10	Furniture	NA	April 1, 2024 to March 31, 2025	29.69			Trichy, Dindigul, Coimbatore, Salem, Karur, Cuddalore, Kumbakonnam
11	Improvement on Freehold Properties Address of the property: Oil Mill Road, Ariyamangalam, Trichy	620010	April 1, 2024 to March 31, 2025	26.80			Trichy

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Sl. No . (1)	Short particulars of the property or asset(s) [including complete address and location of the property] (2)	Pin code of the propert y or asset(s) (3)	Date of creation (4)	Amount spent on CSR (₹ in lakhs) (5)	Details of entity/ Authority/ beneficiary of the registered owner (6)		
					CSR Registration Number, if applicable	Name	Registered address
12	Improvement on Freehold Properties Address of the property: Vinobaji Nagar, Natham Road, Dindigul	624003	April 1, 2024 to March 31, 2025	10.03			Dindigul
13	Improvement on Freehold Properties Address of the property: Survey No: 744/3B Phase- II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore	641021	April 1, 2024 to March 31, 2025	12.12			Coimbatore
14	Improvement on Freehold Properties Address of the property: Survey No: 48, 5A Block No: 14, Kandampatti Village, Salem East	636004	April 1, 2024 to March 31, 2025	12.03			Salem
15	Improvement on Freehold Properties Address of the property: Survey No: 160/4, 160/7, MGR Nagar, Near Karupannasami Kovil, Vengamedu,Karur	639006	April 1, 2024 to March 31, 2025	3.32			Karur
16	Improvement on Freehold Properties Address of the property: Survey No: 1748/4 and 1748/5, Ellanga Nagar, Kumbakonam	612001	April 1, 2024 to March 31, 2025	5.94			Kumbakonnam
17	Office Equipments	NA	April 1, 2024 to March 31, 2025	20.82			Trichy, Dindigul, Coimbatore, Salem, Karur, Cuddalore, Kumbakonnam

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9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. – The Bank had spent more than 2%

Vasudevan P N
MD & CEO
DIN:01550885

Geeta Dutta Goel
Chairperson - CSR Committee
DIN:02277155

Place: Chennai
Date: June 27, 2025

Annexure to CSR Report – FY 2024-25

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 also developed a wide range of ecosystem initiatives towards improving the quality of life of people belonging to Underprivileged sections of the society.

The social initiatives are being carried out through two not-for-profit trusts viz., Equitas Development Initiatives Trust (EDIT) and Equitas Healthcare Foundation (EHF), registered Public Charitable Trusts established by Equitas Small Finance Bank.

As per its CSR Policy, the Bank contributes upto 5% of its net profits of the previous financial year to EDIT and EHF to carry out CSR initiatives on behalf of the Bank.

CSR activities carried out through Equitas Development Initiatives Trust (EDIT) and Equitas Healthcare Foundation (EHF) are detailed below:

A. Educational Initiatives

Education is a key lever to enable upward social mobility for children from low family income. Equitas has rolled out its Gurukul initiatives to "empower children from low income households, through high quality education at affordable cost". The mission of Equitas Gurukul is to nurture and empower children by providing holistic education to transform them into responsible individuals.

EDIT is currently running eight such Gurukul schools at Trichy, Dindigul, Salem, Karur, Cuddalore, Coimbatore, Sivakasi and Kumbakonam with over 8000 students. Our Gurukuls are designed with best-in- class infrastructure, providing a safe and conducive environment for happy learning. More than three fourths of the students are from economically weaker sections as well as socially disadvantaged sections of the society.

B. Skill development

Equitas has provided skill development training to 7,05,588 Self-Help Group (SHG) women members across 10 States, in areas such as Tailoring, Embroidery, Door Mat Making, Agarbati making, Candle making, Detergent Powder and Phenyl production, as well as the preparation of pickles and jams. These structured, week-long training programs aim to equip women with practical skills that can support income generation.

The initiative has had a significant socio-economic impact, with studies indicating that 52% of the trained members earn supplemental monthly income ranging from ₹ 500 to ₹ 2,000 by utilizing their newly acquired skills.

Equitas also has helped these trained women entrepreneurs to market their products by organizing temporary markets. In 2024-25 the CSR Team has organized 126 such exhibitions and has helped 1716 women entrepreneurs exhibit and sell their products.

C. Pavement dwellers rehabilitation program (Equitas Birds Nest)

This programme was commenced in 2010 for rehabilitating those families living on pavements, bus shelters, commercial areas in Chennai. Under this program, the Trust pays the rent on their behalf for 6 months during which they are taught livelihood skills and linked to local markets. From the 7th month onwards, they are required to make their rental payment by themselves. These families have attained self-sustenance status through this intervention from Equitas. Many people have received Voter ID cards and have applied for ration cards for the first time in their lives. From June 2023, this program has been expanded to Pune City where the Equitas has rehabilitated 100 homeless families.

In FY 2024-25, 1609 families have been moved into houses, taking the cumulative beneficiaries under the program to 6150 families living in safe shelter.

Out of these rehabilitated families, under a graduation program, members were formed into groups. After inputs on financial literacy and counselling, following all the regular process of getting KYC, etc., microloan was sanctioned. 100% repayment was observed in those loans till date.

D. Placement Cell

In another proactive step, Equitas has facilitated job fairs for unemployed youth from low income communities, with the help of recruiters and employers. Till date, gainful employment to 3,29,917 unemployed youth has been arranged in companies and retail outlets like textile showrooms, malls, hospitals, BPOs, etc.,

E. Health care services

Equitas understands that access to affordable healthcare is of paramount importance and a major pain point among the underprivileged sections.

1. **Health Education for Healthy living:** A team of 500 women skill trainers have been trained with Technical support from "Freedom from Hunger" to impart Health Education to Members which would help in early detection of non-communicable

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diseases. Cumulatively imparted to over 14.27 lakh women.

2. **Medical Camps:** Through a tie up with over 1,615 hospitals spread across 10 states, Equitas organizes around 450 medical camps every month, benefiting about 50,000 people every month. In health camps cumulatively 80,97,298 people have been screened and benefited so far under this program.

3. **Health Camps in Vehicle Finance Branches:** Equitas conducts health camps in transport Nagar's to screen truck drivers & cleaners for general health, eye and also educate them on AIDS awareness, and screened 53,450 beneficiaries.

4. **Hospital Project:** Equitas identified, lack of access to affordable healthcare is a key pain point for the marginalized sections of the society. Accordingly, a separate trust – Equitas Healthcare Foundation (EHF) has been established to provide access to affordable healthcare to the underprivileged sections with special emphasis on cancer care. In this direction, Sringeri Sharada Equitas Hospital a 100-bed not-for-profit hospital has been established on 2nd Nov,2023 with the primary vision of delivering high- quality, affordable, and ethical cancer care to patients from underprivileged communities. The core specialities at the Hospital are medical oncology, surgical oncology, gynae-oncology, and radiation oncology. Equitas Hospital team, as of March 2025, has offered 19,190 outpatient consultations, had 4,100 admissions for treatment, performed 893 surgeries and completed 2,954 chemotherapy sessions. The Hospital has also conducted 36 free medical camps that has benefitted 3,643 people through cancer screening and general health check.

5. **Secondary Health Care & Health Help line:** Equitas has also tied up with a large number of hospitals to help our clients for getting free consultations and inpatient treatment / surgeries for serious illnesses at a discount to normal cost. This initiative has benefitted 73,958 members.

6. **Health helpline:** LIH families from the community call this dedicated Toll Free No 1800 103 2977 for serious illness and the Customer Care & CSR Team guides them to the tied up hospitals for getting treatments at a discounted price. On an average, the CSR Team receives 100 calls in a month.

COMPOSITION OF BOARD OF TRUSTEES OF THE TRUSTS AS ON MARCH 31, 2025

Equitas Development Initiatives Trust (EDIT)	Equitas Healthcare Foundation (EHF)
1. Dr C K Gariyali, IAS (Retd.)	1. Mr Rangachary N, IRS (Retd.)
2. Ms Jayshree Nambiar, Educationist	2. Dr C K Gariyali, IAS (Retd.)
3. Ms Sabitha D, IAS (Retd.)	3. Mr S. Ramadorai, Former advisor to GOI
4. Mr Anoop Jaiswal, IPS (Retd.)	4. Dr Hemanth Raj, Executive Vice Chairman, Adyar Cancer Institute
5. Mr Vasudevan P N, MD & CEO, Equitas Small Finance Bank Limited	5. Mr Vasudevan P N, MD & CEO, Equitas Small Finance Bank Limited

Annexure - B

Compliance Certificate on Equitas Small Finance Bank Limited Employees Stock Option Scheme, 2019

Pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

To
The Members of,
Equitas Small Finance Bank Limited

CIN: L65191TN1993PLC025280
4th Floor, Phase II, Spencer Plaza, No.769, Mount Road,
Anna Salai, Chennai-600002

Dear Members,

We, M/s. Shanmugam Rajendran & Associates LLP, represented by its Managing Partner CS S Rajendran, having registered office at 2nd floor, Hari Krupa, 71/1, Mc Nicholas Road (off. Poonamallee High Road),Chetpet, Chennai- 600031 and Firm Registration No: L2017TN002700, Company Secretaries in Practice, have been appointed as the Secretarial Auditor for the financial year 2024-2025, vide a resolution passed at its meeting held on 15.07.2024 by the Board of Directors of Equitas Small Finance Bank Limited (hereinafter referred to as 'the Bank'), having CIN: L65191TN1993PLC025280 and having its registered office at 4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai- 600 002.

This certificate is issued pursuant to Regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended 31st March 2025.

Management Responsibility:

It is the responsibility of the Management of the Bank to implement the Scheme(s) including designing, maintaining records and devising proper systems, establishing and maintaining effective controls for properly recording the information related to the Schemes in the records maintained by the Bank, to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively and also to ensure the authenticity of documents and information furnished.

Verification:

The Bank has implemented ESFB Employees Stock Option Scheme, 2019 in accordance with the Regulations and the Special Resolution(s) passed by the members at the General Meetings/ Postal Ballot of the Bank held on 31st January 2019, 22nd November 2019 and 8th February, 2021 respectively and subsequent regulatory changes made to the Scheme pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as approved by the Board of directors at their meeting held on 28th January, 2022.

For the purpose of verifying the compliance of the Regulations, we have examined the ESFB Employees Stock Option Scheme, 2019 furnished by the Bank, the Articles of Association of the Bank and the Resolutions passed at the meeting of the Board of Directors and the Shareholders at the General Meeting(s).

We have read the minutes of the meetings of the Nomination & Remuneration Committee held during the year, noting in terms whereof, **97,29,111** options were granted to the employees. We have also read the minutes of the meetings and the resolutions passed through circulation of the Stakeholders Relationship Committee and noted that **49,75,142** equity shares of Rs 10/- each were allotted during the financial year ended 31st March 2025.

We have also examined the relevant provisions of the Regulations applicable, Companies Act, 2013 and Rules made there under and relevant Accounting Standards as prescribed by the Central Government and such other documents required to issue this certificate.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Bank and its Officers, we certify that the Bank has implemented the ESFB Employees Stock Option Scheme, 2019 in accordance with the applicable provisions of the Regulations and Resolution(s) passed in the General Meeting(s) of the Bank.

Assumption & Limitation of Scope and Review:

1. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
2. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.
3. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For Shanmugam Rajendran & Associates LLP
(Formerly: ***SR Srinivasan & Co.*** LLP)

CS S Rajendran
Managing Partner
FCS No.: 3727 CP No.: 14055
FRN: L2017TN002700
P/R: 1177/2021
UDIN: F003727G000506702

Place : Chennai
Date: 30 May, 2025

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Annexure - C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025

[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]

To:
The Members of
Equitas Small Finance Bank Limited,

CIN: L65191TN1993PLC025280
4th - Floor, Phase II, Spencer Plaza,
No.769, Mount Road, Anna Salai,
Chennai – 600 002

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Equitas Small Finance Bank Limited** (hereinafter called "**the Bank**"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minutes books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Bank 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, minutes book, forms and returns filed, and other records maintained by the Bank for the financial year ended on 31st March, 2025, according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder 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'):

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

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

c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

e) The Securities Exchange Board of India (Depositories and Participants) Regulations, 2018;

f) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

g) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – was not applicable to the Bank during the period under review;

h) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – was not applicable to the Bank during the period under review;

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – was not applicable to the Bank during the period under review;

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

k) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – was not applicable to the Bank during the period under review.

(vi) The following Industry specific laws and the rules, regulations, directions, guidelines, circulars and instructions framed thereunder as amended from time to time as applicable to Bank.

a) The Reserve Bank of India Act (RBI), 1934, The Banking Regulation Act, 1949 read with the rules, regulations, directions, guidelines, licenses and circulars issued by RBI for compliance by Small Finance Bank;

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b) The Prevention of Money Laundering Act (PMLA), 2002 and The Prevention of Money Laundering (Maintenance of Records) Rules, 2005;

c) The Negotiable Instruments Act, 1881;

d) The Insurance Regulatory and Development Authority of India Act, 1999 read with the rules, regulations and notifications thereon;

e) Maternity Benefit Act, 1961

f) The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013;

g) The Food Safety and Standards Act, 2006;

h) The Contract Labour (Regulation and Abolition) Act, 1970

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with respect to meetings of Board of Directors and General Meetings.

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

We further report that:

The Board of Directors of the Company is duly constituted with required balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Independent Director, as per applicable regulations. During the period under review, there were certain changes in the composition of Board of Directors of the Company, which were reported to the stock exchanges, RBI and RoC within required timelines.

Adequate notice was given to all directors to schedule the Board Meetings and Committee 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. The Bank had convened Board and Committee meetings at shorter notice by complying with the requirements of the Act. The Bank had convened its meetings of Committees and Board in compliance with the requirements of the Act and providing facility for those directors / members desirous of attending the meeting through Video Conferencing mode.

During the period under review, all resolutions were taken with requisite majority at the Annual General Meeting and there were resolutions passed through postal ballot. There was no other Extra-Ordinary General Meeting convened.

We further report that there are adequate systems and processes in the Company, which are commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, the Company has not undertaken any specific events / actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that during the audit period:

We further report that during the audit period there were certain instances where the GST Department / Income Tax Department have imposed penalties the Bank which were duly reported to the Stock Exchanges within the prescribed timelines. The Bank has also informed that there are no material impact on financial, operation or other activities of the Bank due to the Tax and Penalty payable and has also mentioned that the orders are appealable.

Further, the Reserve Bank of India (RBI) vide an order dated January 20, 2025 and received by the Bank on January 31, 2025, had imposed a monetary penalty of Rs.65,00,000/- (Rupees Sixty-Five Lakh only) on the Bank for non-compliance with certain directions issued by RBI on 'Levy of Foreclosure Charges/Pre-payment Penalty on Floating Rate Term Loans' and 'Credit Flow to Agriculture – Collateral free agricultural loans'. This penalty was imposed in exercise of powers conferred on RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949 and the same was reported to the stock exchanges on February 1, 2025. The Bank has accordingly paid the penalty on February 07, 2025.

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Place: Chennai
Date: 19th April 2025

For Shanmugam Rajendran & Associates LLP
(formerly ***SR Srinivasan & Co.*** LLP)
Company Secretaries

S. Rajendran
Managing Partner
FCS: 3737| CP. No. 14055
UDIN: F003727G000155901
Peer Review Cert. No. 1177/2021

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ANNEXURE 'A' TO SECRETARIAL AUDIT REPORT OF EQUITAS SMALL FINANCE BANK LIMITED FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025 DATED 19th APRIL, 2025

To:
The Members of
Equitas Small Finance Bank Limited,
4th - Floor, Phase II, Spencer Plaza,
No.769, Mount Road,
Anna Salai,
Chennai – 600002

Dear Sir/Madam,

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Bank. 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 on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we 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 Bank, since the compliance by the Bank of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have been subject to review by statutory financial audit and other designated professionals.
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 partially limited to virtual examination based on inputs provided by the management in soft copies.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Place: Chennai
Date: 19th April 2025

For Shanmugam Rajendran & Associates LLP
(formerly ***SR Srinivasan & Co.*** LLP)
Company Secretaries

S. Rajendran
Managing Partner
FCS: 3737| CP. No. 14055
UDIN: F003727G000155901
Peer Review Cert. No. 1177/2021

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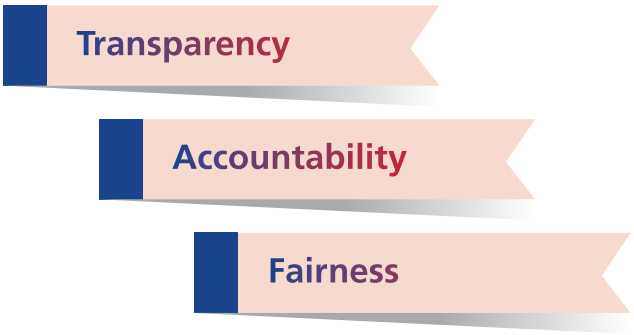
Report on Corporate Governance

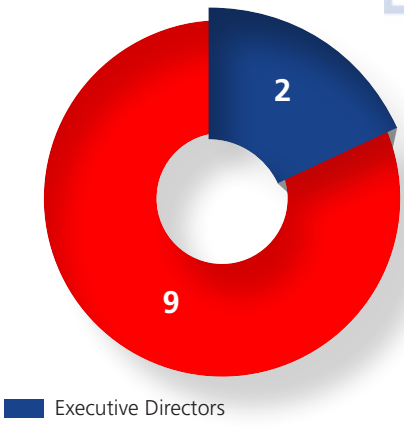
CORPORATE GOVERNANCE PHILOSOPHY

The philosophy of the Bank on Corporate Governance envisages adherence to the highest levels of transparency, accountability and fairness, in all areas of its operations and in all interactions with its stakeholders. The Bank deals with borrowers who are mostly from the economically weaker sections of the society with poor linkages to the mainstream financial markets. Right from inception, the Bank's policies and processes have been fine-tuned to ensure utmost clarity and fairness while dealing with such clients.



BOARD COMPOSITION

Composition and Category of Board of Directors



As on 31st March, 2025, the Board of Directors (herein referred to as "Board") comprised of eleven Directors drawn from diverse fields / professions, out of which nine are Independent Directors (including one Woman Director) and two are Whole-time Directors. The composition of the Board is in conformity with the provisions of the Companies Act, 2013 (herein referred to as "the Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred to as "Listing Regulations") and the Banking Regulation Act, 1949.

S. No	Name of the Director	Designation	DIN
1.	Mr. Anil Kumar Sharma	Part-time Chairman & Independent Director	08537123
2.	Mr. Navin Puri	Independent Director	08493643
3.	Mr. Ramesh Rangan	Independent Director	07586413
4.	Prof. Samir Kumar Barua	Independent Director	00211077
5.	Ms. Geeta Dutta Goel	Independent Director	02277155
6.	Dr. Gulshan Rai	Independent Director	01594321
7.	Mr. K S Sampath	Independent Director	07924755
8.	Mr. N R Narayanan	Independent Director	07877022
9.	Mr. Ramkumar Krishnaswamy	Independent Director	00244711
10.	Mr. P N Vasudevan	Managing Director & Chief Executive Officer	01550885
11.	Mr. Balaji Nuthalapadi	Executive Director	08198456

During the year 2024-25, the Board met 9 times viz., 24 April, 2024, 25 June, 2024, 15 July, 2024, 26 July, 2024, 23 August, 2024, 08 November, 2024, 21 December, 2024, 31 January, 2025 and 28 March, 2025 and the gap between any two meetings has been less than 120 days. Bank has complied with the provisions of Secretarial Standards on Board Meetings (SS-1) issued by the Institute of Company Secretaries of India (ICSI) with respect to convening of Board Meetings during the year.

Other Directorships and Committee Memberships / Chairmanships as on 31 March, 2025

In compliance with the provisions of Section 165 of the Companies Act, 2013 read along with rules made thereunder, if any, Regulations 17A, 26(1) of the Listing Regulations and such other applicable regulations, none of the Directors on the Board of the Bank is a Director in more than Ten (10) Public Companies or is a Director / Independent Director in more than Seven (7) Listed Entities or is a Member of more than Ten (10) Board Committees viz., the Audit Committee and Stakeholders' Relationship Committee / acts as Chairperson of more than Five (5) Board Committees across all Listed Companies and Unlisted Public Companies in which he / she is a Director as on 31 March, 2025.

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The details of directorships and Committee positions held in other companies during Financial Year ended 31 March, 2025 and their attendance at Board Meetings and at the last Annual General Meeting ("AGM") are given below:

S. No.	Name of the Director	No. of Board Meetings attended during FY 2024-25 (No. of Board Meetings eligible to attend)	Attendance at the last AGM held on 10 September, 2024	No. of Directorships in other companies$		Number of Committee positions in other companies$$	
				Membership	Chairmanship	Membership	Chairmanship
1.	Mr. Anil Kumar Sharma	8 (8)	Yes	-	-	-	-
2.	Mr. Arun Ramanathan	1 (1)	NA	NA	NA	NA	NA
3.	Mr. Vinod Kumar Sharma	5 (5)	NA	NA	NA	NA	NA
4.	Mr. Arun Kumar Verma	5 (5)	NA	NA	NA	NA	NA
5.	Mr. N Srinivasan	4 (4)	NA	NA	NA	NA	NA
6.	Prof. N Balakrishnan	5 (5)	Yes	NA	NA	NA	NA
7.	Mr. Navin Puri	9 (9)	Yes	3	-	1	-
8.	Mr. Ramesh Rangan	9 (9)	Yes	2	-	1	-
9.	Prof. Samir Kumar Barua	8 (9)	No	1	-	-	1
10.	Ms. Geeta Dutta Goel	8 (9)	Yes	2	-	3	-
11.	Dr. Gulshan Rai	8 (9)	No	2	-	-	1
12.	Mr. K S Sampath	6 (6)	Yes	-	-	-	-
13.	Mr. N R Narayanan	5 (6)	Yes	1	-	-	-
14.	Mr. Ramkumar Krishnaswamy	4 (6)	Yes	-	-	-	-
15.	Mr. P N Vasudevan	9 (9)	Yes	-	-	-	-
16.	Mr. Balaji Nuthalapadi	NA	NA	-	-	-	-

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NA - Not Applicable

Note:

- *Mr. Anil Kumar Sharma was appointed by the Board of Directors in the meeting held on 24 April, 2024 as an Independent Director for a period of five (5) years with effect from 25 April, 2024 to 24 April, 2029 and as a Part Time Chairman of the Bank for a period of three (3) years with effect from 25 April, 2024 to 24 April, 2027.*
- *Mr. Arun Ramanathan ceased to be the Part-time Chairman and Independent Director of the Bank from the close of business hours on 24 April, 2024 consequent to the cessation of his term.*
- *Mr. Vinod Kumar Sharma ceased to be an Independent Director of the Bank from the close of business hours on 31 August, 2024 consequent to the completion of his second consecutive term.*
- *Mr. Arun Kumar Verma ceased to be an Independent Director of the Bank from the close of business hours on 03 September, 2024 consequent to the completion of his second consecutive term.*
- *Mr. N Srinivasan had resigned with effect from the close of business hours on 26 July, 2024 due to personal commitments vide his letter dated 20 July, 2024.*
- *Prof. N Balakrishnan ceased to be an Independent Director of the Bank from the close of business hours on 20 September, 2024 consequent to the completion of his second consecutive term.*
- *Mr. K S Sampath was appointed by the Board of Directors in the meeting held on 15 July, 2024 as an Independent Director for a period of three (3) years with effect from 16 July, 2024 until 15 July, 2027.*
- *Mr. N R Narayanan was appointed by the Board of Directors in the meeting held on 15 July, 2024 as an Independent Director for a period of three (3) years with effect from 16 July, 2024 until 15 July, 2027.*
- *Mr. Ramkumar Krishnaswamy was appointed by the Board of Directors in the meeting held on 15 July, 2024 as an Independent Director for a period of three (3) years with effect from 16 July, 2024 until 15 July, 2027.*

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- *Mr. Balaji Nuthalapadi was appointed by the Board of Directors in the meeting held on 28 March, 2025 as Whole-time Director designated as Executive Director with effect from 29 March, 2025 until 28 March, 2028.*

$Excluding Directorship in private limited companies, foreign companies and companies under Section 8 of the Act.

$$Membership in Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies have been reckoned for Committee membership.

Names of the listed entities (other than Equitas Small Finance Bank Limited) where the Directors of the Bank holds Directorship and the category of Directorship as on 31st March, 2025

S. No.	Name of the Director	Listed entity in which they hold Directorship	Category of Directorship
1.	Mr. Navin Puri	Aditya Birla Sun Life AMC Limited	Independent Director
2.	Mr. Ramesh Rangan	Sumedha Fiscal Services Limited	Independent Director
3.	Ms. Geeta Dutta Goel	1. Home First Finance Company India Limited 2. Niva Bupa Health Insurance Company Limited	1. Independent Director 2. Independent Director

There is no relationship between Directors inter-se. Mr. Anil Kumar Sharma, Part-time Chairman and Independent Director of the Bank holds 2067 equity shares of the Bank and there are no shares or convertible instruments held by the other Non-Executive Directors in the Bank as on 31st March 2025. The Board has received declarations from the Independent Directors as required under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16 of the Listing Regulations.

Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his / her tenure along with a confirmation by such director that there are no other material reasons other than those provided - During FY 2024-25, Mr. N Srinivasan (DIN: 01501266) vide letter dated July 20, 2024 has tendered his resignation as an Independent Director of the Bank with effect from the close of business hours on July 26, 2024 due to personal commitments. He had confirmed that there was no other material reason for his resignation other than those stated.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During FY 2024-25, the Independent Directors had a separate meeting on 28 February, 2025 without the presence of the Management team and the Non-Independent Directors of the Bank. At the said Meeting, those Independent Directors who were present evaluated and reviewed the performance of Chairman, Non-Independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Management and the Board based on the evaluation criteria set by the NRC and approved by the Board.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Independent Directors inducted into the Board are given an orientation programme by the Bank. The details of the familiarization programme imparted to Independent Directors are available on the website of the Bank Click here

CORE SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD

The Bank's Board comprises of qualified Members who possess the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board is committed to ensure that the Bank adheres to the highest standards of Corporate Governance.

The Bank, while considering a person for appointment as a Director, determines his / her suitability based upon the qualifications, track record, expertise, integrity and undertakes necessary due diligence to ensure that the person fulfils the criteria for Board membership as mentioned in the policy for ascertaining the 'fit and proper' status of Directors, available on the website of the Bank Click here

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The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Banking business and in compliance with Section 10 A (2) (a) of the Banking Regulation Act, 1949 and those actually available with the Board are given as below:

Skills / Expertise / Competencies	AKS	NP	RR	SKB	GDG	GR	KSS	NRN	RK	PNV	BN
Accountancy		✗		✗	✗		✗				
Agriculture and rural economy	✗	✗	✗								
Banking	✗	✗	✗	✗			✗	✗	✗	✗	✗
Co-operation							✗				
Economics	✗	✗		✗	✗		✗				
Finance		✗	✗	✗	✗		✗			✗	
Law										✗	
Small-scale industry	✗		✗								
Information Technology						✗					
Payment & Settlement Systems	✗					✗					
Human Resources		✗	✗		✗				✗		
Risk Management	✗		✗	✗			✗	✗			
Business Management			✗	✗	✗			✗			
Any other special knowledge / practical experience			✗*	✗*	✗*		✗*				

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AKS – Mr. Anil Kumar Sharma, NP - Mr. Navin Puri, RR- Mr. Ramesh Rangan, SKB – Prof. Samir Kumar Barua, GDG - Ms. Geeta Dutta Goel, GR - Dr. Gulshan Rai, KSS – Mr. K S Sampath, NRN – Mr. N R Narayanan, RK – Mr. Ramkumar Krishnaswamy, PNV - Mr. P N Vasudevan and BN - Mr. Balaji Nuthalapadi.

Any other special knowledge / practical experience

Mr. Ramesh Rangan - Rehabilitation and Reconstruction, Merger of Bank and Government policies in Banking Division

Prof. Samir Kumar Barua - Corporate Governance, Corporate Strategy, Decision Science and Capital Markets

Ms. Geeta Dutta Goel – Micro Finance, Philanthropy, Venture Capital Investment and NBFC sector

Mr. K S Sampath - Corporate Governance and Merger & Amalgamation

Information to the Board

Prior to Meeting, the Board is presented with relevant information on various matters relating to the Bank's businesses, especially those that require deliberation and guidance at the highest level. Presentations are made to the Board by business heads / functional heads on their respective segments from time to time. Directors have separate and independent access to the Management. In addition to items which are required to be placed before the Board for noting and / or approval, information on all significant matters are provided. The Management diligently ensures that the information furnished by them to the Board of the Bank is comprehensive and timely.

COMMITTEES OF THE BOARD

As on 31st March, 2025, the Board had fourteen (14) Committees of the Board, constituted in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and RBI Guidelines and Directions issued to banks from time to time viz.,

1. Audit Committee
2. Risk Management Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee
5. Stakeholders Relationship Committee
6. Customer Service Committee
7. Business Committee
8. IT Strategy Committee
9. Credit Committee
10. Policy Formulation Committee
11. Outsourcing Committee
12. Special Committee for Monitoring and Follow-up of cases of Frauds
13. Review Committee for identification of Wilful Defaulters and
14. Committee for Review of High Value Stressed Assets

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In addition to the above, the Board has constituted the Capital Raising Committee of the Board in its meeting held on 30 May, 2025 as disclosed to the Stock Exchanges vide letter dated 30 May, 2025.

The Board fixes the terms of reference of the Committees of the Board and also delegates the required powers from time to time. The Minutes of the Meetings of the Committees are placed before the Board at subsequent meetings for noting.

AUDIT COMMITTEE

Composition

As on 31st March 2025, the Audit Committee comprised of five (5) Independent Directors as below:

- **Chairman** — Mr. K S Sampath
- **Member** — Mr. Navin Puri
- **Member** — Mr. Ramesh Rangan
- **Member** — Dr. Gulshan Rai
- **Member** — Mr. N R Narayanan

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Meetings & Attendance

The Committee held twenty-two (22) Meetings during the year on 04 April, 2024, 06 April, 2024, 20 April, 2024, 22 April, 2024, 23 April, 2024, 30 May, 2024, 06 June, 2024, 28 June, 2024, 25 July, 2024, 05 August, 2024, 07 August, 2024, 23 August, 2024, 30 September, 2024, 21 October, 2024, 07 November, 2024, 03 December, 2024, 18 December, 2024, 23 January, 2025, 30 January, 2025, 28 February, 2025, 07 March, 2025 and 26 March, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. K S Sampath, Chairman^	14	14
Mr. Vinod Kumar Sharma@	8	5
Mr. Arun Kumar Verma$	8	8
Mr. Navin Puri#	14	13
Mr. Ramesh Rangan	22	22
Prof. Samir Kumar Barua@	8	8
Dr. Gulshan Rai#	14	14
Mr. N R Narayanan#	14	13

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

$Was the Chairman of the Committee till 15 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

Terms of Reference

The terms of reference of the Audit Committee include:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor, the remuneration and terms of appointment of auditors of the Bank;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the Management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by Management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with accounting and other legal requirements relating to financial statements.
    f. Disclosure of related party transactions.
    g. Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential 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 issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditors' independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Bank with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Bank, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors on any significant findings and follow up there on;

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15. 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;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of 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 and background, etc., of the candidate;
20. Review on quarterly basis, the securitization / bilateral assignment transactions and investment activities of the Bank;
21. Annual review of the Bank's Policies, pertaining to Audit and Accounts, framed pursuant to RBI Guidelines/ Regulations/ Directions and suggesting changes, if any required to the Board for adoption;
22. To discuss and follow up the observations relating to Inspection Report/ Risk Assessment Report of the RBI;
23. To obtain and review quarterly/ half-yearly reports of the Chief Compliance Officer appointed by the Bank in terms of RBI instructions;
24. To review compliance with KYC/ AML guidelines including periodic review of audit reports on adherence to KYC/AML guidelines at branches;
25. To review penalties imposed/ penal action taken against Bank under various laws and statutes and correction action taken;
26. To review the Information Systems Audit; and
27. Any other requirement in accordance with the statutory / regulatory directions as may be applicable from time to time.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
5. Statement of deviations:

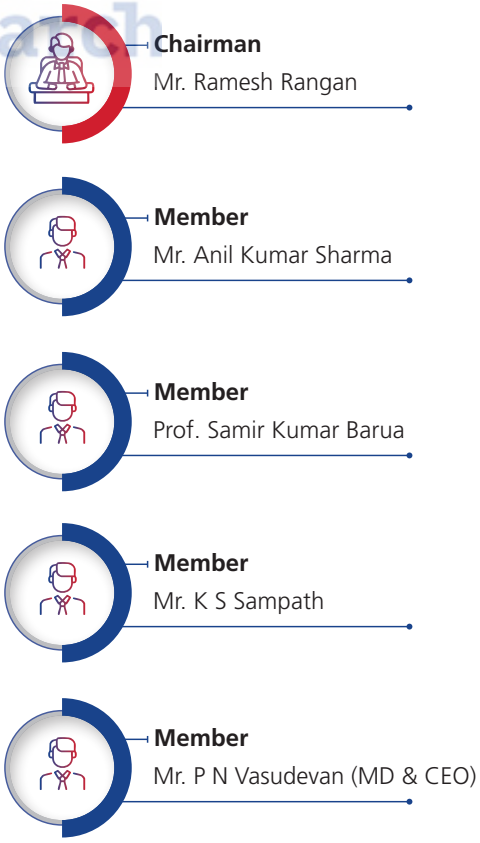
a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

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

RISK MANAGEMENT COMMITTEE

Composition

As on 31st March 2025, the Risk Management Committee of the Board comprised of four (4) Independent Directors and the MD & CEO as below:



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Meetings & Attendance

The Committee held six (6) Meetings during the year on 13 June, 2024, 05 September, 2024, 13 December, 2024, 21 December, 2024, 23 January, 2025 and 17 March, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Ramesh Rangan^	5	5
Mr. Anil Kumar Sharma#	5	5
Mr. Vinod Kumar Sharma$	1	1
Mr. Arun Kumar Verma@	1	1
Mr. N Srinivasan@	1	1
Prof. N Balakrishnan@	1	1
Prof. Samir Kumar Barua#	5	5
Mr. K S Sampath#	5	5
Mr. P N Vasudevan, MD & CEO	6	4

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

$Was the Chairman of the Committee till 15 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

Terms of Reference

The terms of reference of the Risk Management Committee include:

1. Formulation of a detailed risk management policy inter alia covering:
   (a) A framework for identification of internal and external risks specifically faced by the Bank in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measured for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. Review of procedures relating to risk assessment & risk minimization to ensure that executive management controls risk through means of a properly defined framework;
3. Apprising the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;
4. To decide strategy for integrated risk management containing various risk exposures including credit, market, liquidity, operational and reputational risk;
5. To obtain regular risk management reports to enable the Committee to assess risks involved in Bank business and give clear focus to current and forward looking aspects of risk exposure;
6. To review the Asset Liability Management (ALM) of the Bank on a regular basis;
7. To review risk return profile of the Bank, capital adequacy based on risk profile of Bank balance sheet, business continuity plan, disaster recovery plan, key risk indicators and significant risk exposures;
8. To carry out prudent risk diversification ensuring that credit exposure to any group or industry does not exceed the internal limits;
9. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank;
10. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
11. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
12. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
13. To review the appointment, removal and terms of remuneration of the Chief Risk Officer; and
14. Any other requirement in accordance with the statutory / regulatory directions as may be applicable from time to time.

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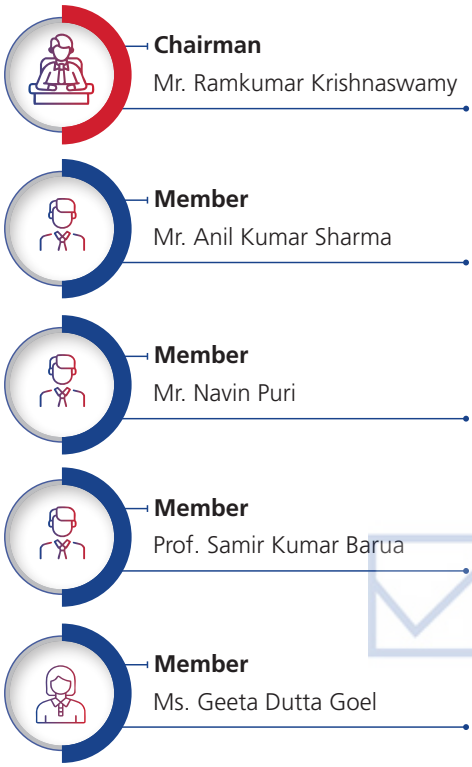
NOMINATION & REMUNERATION COMMITTEE

Composition

As on 31st March 2025, the Nomination & Remuneration Committee comprised of five (5) Independent Directors as below:



Meetings & Attendance

The Committee held eight (8) Meetings during the year on 23 April, 2024, 12 June, 2024, 26 June, 2024, 03 July, 2024, 12 July, 2024, 23 October, 2024, 21 December, 2024 and 26 March 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Ramkumar Krishnaswamy, Chairman^	3	3
Mr. Anil Kumar Sharma#	3	3
Mr. Arun Ramanathan*	1	1
Mr. Vinod Kumar Sharma@	5	5
Mr. N Srinivasan$	5	5
Prof. N Balakrishnan@	5	5
Mr. Navin Puri	8	8
Prof. Samir Kumar Barua#	3	3
Ms. Geeta Dutta Goel#	3	3

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

$Was the Chairman of the Committee till 15 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

**Ceased to be a Member of the Committee consequent to the cessation of his term of appointment on 24 April, 2024.*

Terms of reference

The terms of reference of the Nomination & Remuneration Committee include:

1) 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;

2) To evaluate the balance of skills, knowledge and experience on the Board for every appointment of an Independent Director and to prepare a description of the role and capabilities required of an Independent Director basis such evaluation;

3) To undertake a process of due diligence to determine the suitability of any person for appointment/ continuing to hold appointment as a Director on the Board, based upon qualification, expertise, track record, integrity other 'fit and proper' criteria, positive attributes and independence (if applicable) and formulate the criteria relating thereto;

4) Formulation of criteria for evaluation of performance of Independent Directors and the Board;

5) 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;

6) Devising a policy on Board diversity;

7) 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 succession planning for Directors;

8) To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Bank's corporate strategy;

9) To assess the independence of Independent Non-Executive Directors;

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10) To review the results of the Board performance evaluation process that relate to the composition of the Board;

11) Annual appraisal of the performance of the Managing Director and fixing his/her terms of remuneration;

12) Recommend to the Board, all remuneration, in whatever form, payable to the Senior Management;

13) Annual appraisal of the Senior Management team reporting to the Managing Director;

14) Annual Performance Review of the staff;

15) Framing guidelines for the Employee Stock Option Scheme (ESOS) and decide on the grant of stock options to the employees and Whole Time Directors of the Bank and its subsidiaries;

16) Review on quarterly basis complaints under Policy on Prevention of Sexual Harassment of Women at Workplace; and

17) Any other requirement in accordance with the statutory / regulatory directions as may be applicable from time to time.

Performance evaluation criteria

The Nomination & Remuneration Committee has formulated the criteria for evaluation of the Board, its Committees, Chairman and Directors and the same has been approved by the Board of Directors of the Bank. The process of Board Evaluation is included in the Board's Report. The performance of the Independent Directors was evaluated on the basis of criteria such as the attendance at the Board and Committee meetings, diligence, approach towards issues placed before the Board, contribution to setting strategy and policy directions, etc.

REMUNERATION OF DIRECTORS

The Bank has in place a remuneration policy which is guided by the principles and objectives as enumerated in Section 178 of the Act as well as RBI Circular dated November 4, 2019, Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff, which is available at the website of the Bank Click here

The compensation to the Managing Director and Executive Director is within the limits prescribed under the Act and as approved by RBI. They are not paid sitting fees for attending any Board / Committee Meetings.

The remuneration to the Non-Executive / Independent Directors has been fixed at a level, not exceeding 1% of the net profits of the Bank calculated in accordance with Section 198 of the Act and the remuneration of the Part-time Chairman is in accordance with the approval given by RBI.

The Independent Directors of the Bank are not eligible for stock options. The Directors are not paid / entitled to any remuneration and any performance linked incentives, service contracts, notice period or severance fees, other than the remuneration / fees as mentioned in this report. There is no pecuniary relationship or transaction between the Bank and the Non-Executive/ Independent Directors.

All Directors, except Managing Director & Chief Executive Officer and Executive Director, are paid sitting fee for attending Meetings of Board and Committees.

Nature of Meetings	Amount (in ₹)
Board	60,000/- per Meeting
Audit Committee and Business Committee	50,000/- per Meeting
All other Committees	40,000/- per Meeting
Meeting of Independent Directors	40,000/- per Meeting
Chairman of Board & Committees of the Board	Additional 10,000/- per Meeting

Details of remuneration payable and sitting fee paid to Independent Directors for the year ended 31st March, 2025 are as under:

Name	Remuneration (in ₹)	Sitting Fees (in ₹)	
		Board	Committee#
Mr. Anil Kumar Sharma	14,94,795	5,60,000	11,90,000
Mr. Arun Ramanathan	1,05,205	70,000	40,000
Mr. Vinod Kumar Sharma	4,19,178	3,00,000	5,90,000
Mr. Arun Kumar Verma	5,72,603	3,00,000	7,00,000
Mr. N Srinivasan	3,20,548	2,40,000	4,30,000
Prof. N Balakrishnan	4,73,973	3,00,000	3,70,000
Mr. Navin Puri	10,00,000	5,40,000	19,10,000
Mr. Ramesh Rangan	10,00,000	5,40,000	26,40,000
Prof. Samir Kumar Barua	10,00,000	4,80,000	18,50,000
Ms. Geeta Dutta Goel	10,00,000	4,80,000	9,60,000
Dr. Gulshan Rai	10,00,000	4,80,000	12,80,000
Mr. K S Sampath	10,64,384	3,60,000	12,80,000
Mr. N R Narayanan	7,09,589	3,00,000	14,80,000
Mr. Ramkumar Krishnaswamy	7,09,589	2,40,000	2,70,000

#Includes sitting fee paid in respect of the Meeting of Independent Directors.

REMUNERATION PAID TO MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Details of the remuneration paid to Mr. P N Vasudevan, Managing Director & Chief Executive Officer for the year ended 31st March, 2025 are as follows:

S. No.	Nature of Payment	Amount (₹ in Lakhs)
1	Gross Salary (including Arrears)	292.06
2	Perquisites	4.74
3	Others-Employer's contribution to Provident Fund	11.95
Total		**308.76**

REMUNERATION PAID TO EXECUTIVE DIRECTOR

Mr. Balaji Nuthalapadi was appointed in the Board meeting held on 28 March, 2025 as a Whole-time Director designated as Executive Director for a period of three years w.e.f 29 March, 2025.

Details of the remuneration paid to Mr. Balaji Nuthalapadi, Executive Director for the year ended 31st March, 2025 are as follows:

S. No.	Nature of Payment	Amount (₹ in Lakhs)
1	Gross Salary	1.81
2	Others-Employer's contribution to Provident Fund	0.09
Total		**1.90**

Notice period and severance fee

As applicable to all Senior Management Personnel, MD & CEO and ED are subject to notice period of three months and additional gardening leave of three months, at the discretion of the Bank. The severance fee is restricted to payment of gross fixed pay (including applicable retiral benefits) for the notice period and gardening leave, if availed.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

As on 31st March 2025, the Corporate Social Responsibility Committee comprised of four (4) Independent Directors and the MD & CEO as below:

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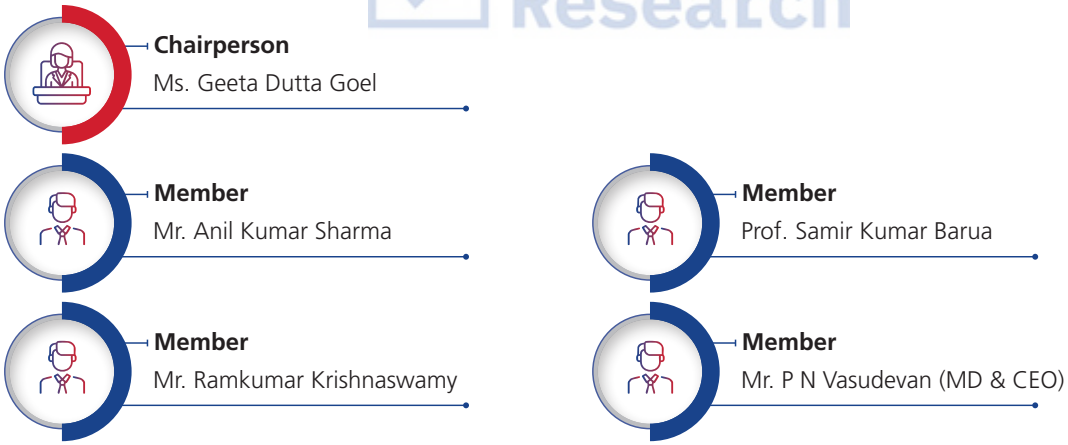

Meetings & Attendance

The Committee held two (2) Meetings during the year on 24 April, 2024 and 06 February, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Ms. Geeta Dutta Goel, Chairperson	2	2
Mr. Anil Kumar Sharma#	1	1
Mr. N Srinivasan@	1	1
Prof. Samir Kumar Barua	2	2
Mr. Ramkumar Krishnaswamy#	1	0
Mr. P N Vasudevan, MD & CEO	2	2

#Appointed as a Member of the Committee with effect from 16 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

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Terms of reference

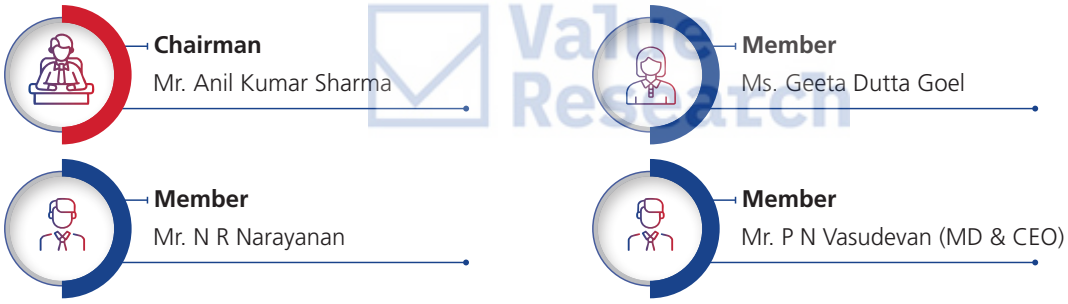
The terms of reference of the Corporate Social Responsibility Committee include:

1) Review the Mission of the organisation from time to time and ensure it stays aligned to changing contexts of the organisation;
2) Ensure alignment of the Business goals and objectives of the Bank in line with the Mission of the organisation;
3) Bring specific focus on certain excluded segments of client community and set benchmarks for the same;
4) Review all the social activities of the Bank and suggest to the Board of Trustees suitable measures for enhancing the efficacy of these activities;
5) 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 Bank and benchmark the same with other organisations in India and around the world;
6) Disseminate information related to the Social Performance of the organisation in such manner as deemed appropriate;
7) To review the amount spent on social activities and to advise the Board and the Trustees on its efficacies; and
8) Any other requirement in accordance with the statutory / regulatory directions as may be applicable from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

As on 31st March 2025, the Stakeholders Relationship Committee comprised of three (3) Independent Directors and the MD & CEO as below:



Mr. N Ramanathan, Company Secretary is the Compliance Officer under the SEBI LODR Regulations, 2015.

Meetings & Attendance

The Committee held four (4) Meetings during the year on 13 June, 2024, 05 September, 2024, 04 December, 2024 and 28 February, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Anil Kumar Sharma, Chairman^	3	3
Mr. Vinod Kumar Sharma@	1	1
Mr. Arun Kumar Verma@	1	1
Ms. Geeta Dutta Goel$	4	3
Mr. N R Narayanan#	3	3
Mr. P N Vasudevan#	3	3

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

$Was the Chairman of the Committee till 15 July, 2024 and as a Member of the Committee with effect from 16 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

Terms of reference

1) To resolve the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and reviewing quarterly reporting of such complaints;
2) To review measures taken for effective exercise of voting rights by shareholders;

3) To review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent;

4) To review the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank;

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

6) To allot shares on exercise of vested options granted to employees of the Bank under the ESFB ESOP Plan 2019 or any such other scheme formulated by the Bank from time to time; and

7) To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

Details of Investor complaints received and redressed during FY 2024-25 are as follows:

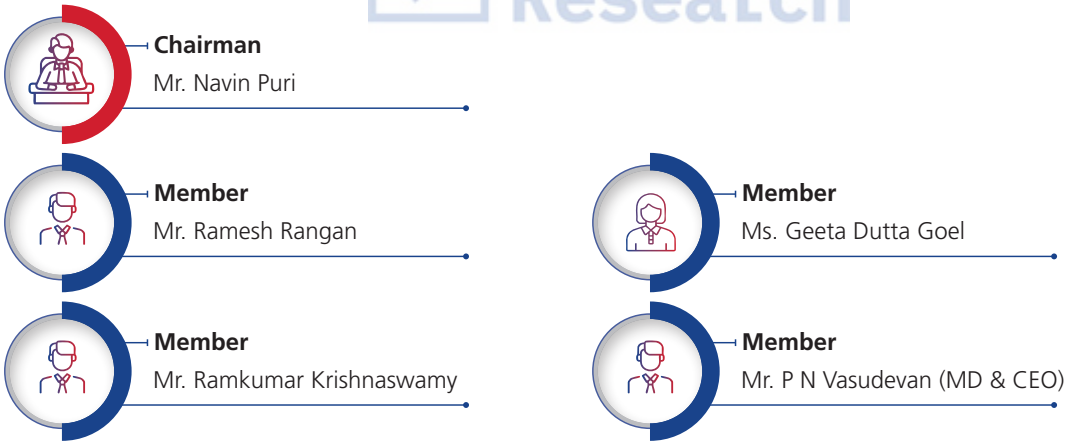
Number of complaints received during the financial year	Number of complaints redressed during the financial year	Number of complaints not solved to the satisfaction of members	Number of pending complaints
2	2	0	0

SEBI had revised the framework for handling of complaints received through SEBI Complaint Redress System (SCORES) platform for Entities and linking of the same to Online Dispute Resolution (ODR) platform. ODR platform provides members with an additional mechanism to resolve their grievances. Pursuant to the Listing Regulations and SEBI Circulars issued in this regard, the Bank had registered in SCORES 2.0 and SMART ODR portals to handle investor complaints electronically. Details of the same is available at the website of the Bank Click here

CUSTOMER SERVICE COMMITTEE

Composition

As on 31st March 2025, the Customer Service Committee comprised of four (4) Independent Directors and the MD & CEO as below:



Meetings & Attendance

The Committee held four (4) Meetings during the year on 30 May, 2024, 22 August, 2024, 03 December, 2024 and 19 February, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Navin Puri, Chairman	4	4
Prof. N Balakrishnan@	1	1
Mr. Ramesh Rangan	4	4
Ms. Geeta Dutta Goel	4	3
Mr. Ramkumar Krishnaswamy#	3	3
Mr. P N Vasudevan, MD & CEO	4	3

#Appointed as a Member of the Committee with effect from 16 July, 2024.
@Was a Member of the Committee till 15 July, 2024.

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Terms of reference

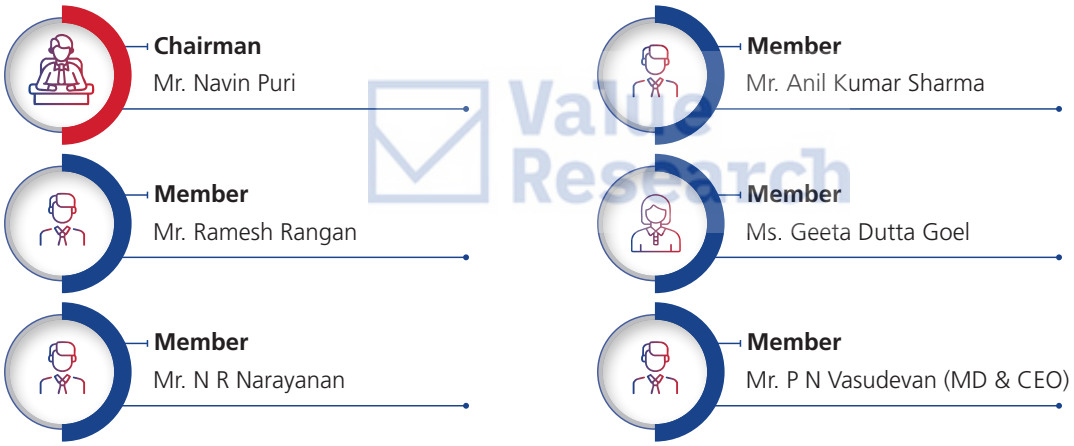
The terms of reference of the Customer Service Committee include:

1) To review the level of customer service in the Bank including customer complaints and the nature of their resolution;
2) To provide guidance in improving the level of customer service;
3) To ensure that the Bank provides and continues to provide best-in-class services across all its categories of customers to help the Bank in protecting and growing its brand equity;
4) To formulate a comprehensive Deposit Policy incorporating issues such as claims, nomination and/or operations in such accounts due to death of a depositor, annual survey of depositor satisfaction, product approval process and triennial audit of customer services;
5) To oversee the functioning of the internal committee for customer service;
6) To evolve innovative measures for enhancing the quality of customer service and improving the overall satisfaction level of customers; and
7) To ensure implementation of directives received from RBI with respect to rendering of services to Bank customers.

BUSINESS COMMITTEE

Composition

As on 31st March 2025, the Business Committee comprised of five (5) Independent Directors and the MD & CEO as below:



Meetings & Attendance

The Committee held five (5) Meetings during the year on 23 April, 2024, 25 July, 2024, 23 October, 2024, 27 January, 2025 and 13 March, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Navin Puri, Chairman	5	5
Mr. Anil Kumar Sharma#	4	4
Mr. N Srinivasan@	1	1
Mr. Ramesh Rangan	5	5
Prof. Samir Kumar Barua@	1	1
Ms. Geeta Dutta Goel	5	5
Mr. N R Narayanan#	4	4
Mr. P N Vasudevan, MD & CEO	5	5

#Appointed as a Member of the Committee with effect from 16 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

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Terms of reference

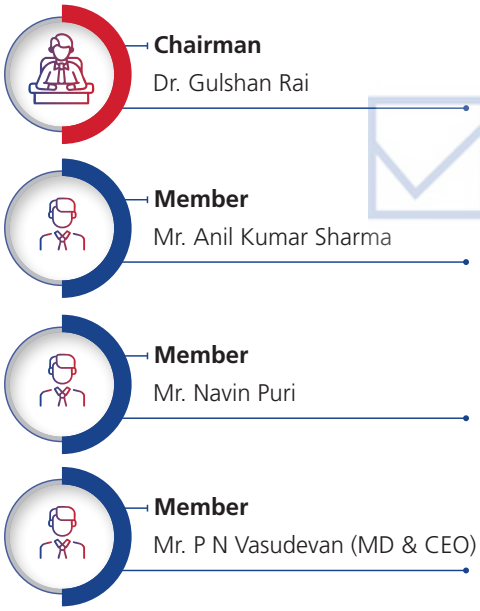
The Committee reviews and submits it recommendations to the Board on the following matters:

1. Formulation of annual business plan;
2. Review of business performance vs the approved business plan;
3. Mid-year review and revision of business plan, if warranted by the circumstances; and
4. New Business Initiatives proposed to be undertaken by the Bank.

IT STRATEGY COMMITTEE

Composition

As on 31st March 2025, the IT Strategy Committee comprised of three (3) Independent Directors and the MD & CEO as below:



Meetings & Attendance

The Committee held five (5) Meetings during the year on 28 June, 2024, 24 September, 2024, 04 December, 2024, 19 December, 2024 and 17 March, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Dr. Gulshan Rai, Chairman^	4	4
Mr. Anil Kumar Sharma#	4	4
Prof. N Balakrishnan$	1	1
Mr. Navin Puri	5	5
Mr. P N Vasudevan, MD & CEO	5	5

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

$Was the Chairman of the Committee till 15 July, 2024.

Terms of reference

1. To approve IT strategy and policy documents;
2. To ensure that management has an effective strategic planning process;
3. To ensure that IT strategy is aligned with business strategy;
4. To ensure that investments in Information Technology represent a balance of risks and benefits for sustaining Bank's growth and within the acceptable budget;
5. To monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
6. To oversee implementation of processes and practices and ensuring that maximum value is delivered to business;
7. To ensure that all critical projects have a component for 'project risk management' from IT perspective (by defining project success measures and following up progress on IT projects);
8. To define and ensure effective implementation of standards of IT Governance, Business Continuity and Data Governance;
9. To ensure that there is an appropriate framework of information security risk assessment within the Bank;
10. To assess exposure to IT Risks and its controls, and evaluating effectiveness of management's monitoring of IT risks;
11. To provide direction to IT architecture design and ensure that the IT architecture reflects the need for legislative and regulatory compliance, the ethical use of information and business continuity; and
12. To approve capital and revenue expenditure in respect of IT Procurements.

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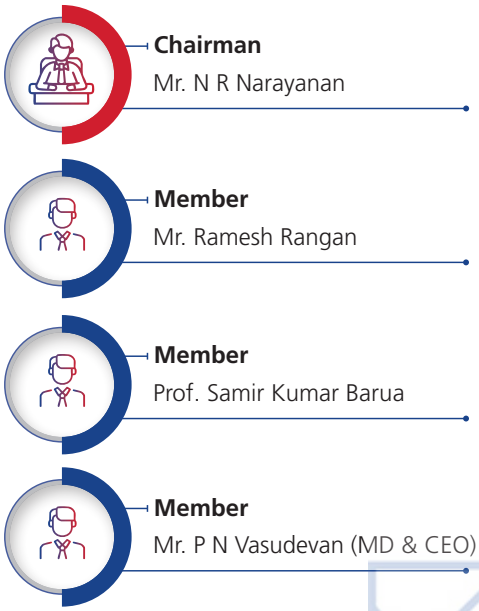
CREDIT COMMITTEE

Composition

As on 31st March 2025, the Credit Committee comprised of three (3) Independent Directors and the MD & CEO as below:



Meetings & Attendance

The Committee held eight (8) Meetings during the period on 23 April, 2024, 25 June, 2024, 24 July, 2024, 05 September, 2024, 23 September, 2024, 24 October, 2024, 06 January, 2025 and 30 January, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. N R Narayanan, Chairman^	6	6
Mr. Ramesh Rangan$	8	8
Prof. Samir Kumar Barua	8	8
Mr. Navin Puri@	2	2
Mr. P N Vasudevan, MD & CEO	8	6

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

$Was the Chairman of the Committee till 15 July, 2024 and as a Member of the Committee with effect from 16 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

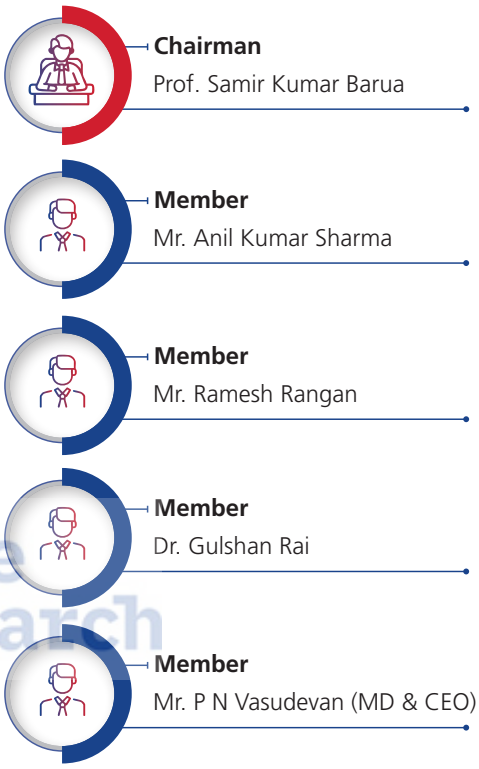
Terms of reference

The Committee considers and approves individual loans exceeding ₹ 50 crores and group loans exceeding ₹ 100 crores, reviews quick mortality cases, reviews credit proposals sanctioned by MD & CEO and Management Credit Committee, reviews the irregularity report and also considers the reporting made to CRILC on overdue of large exposures.

POLICY FORMULATION COMMITTEE

Composition

As on 31st March 2025, the Policy Formulation Committee comprised of four (4) Independent Directors and the MD & CEO as below:



Meetings & Attendance

The Committee held eight (8) Meetings during the year on 22 April, 2024, 25 July, 2024, 16 August, 2024, 24 October, 2024, 13 December, 2024, 30 January, 2025, 13 February, 2025 and 18 March, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Prof. Samir Kumar Barua, Chairman	8	8
Mr. Anil Kumar Sharma#	7	7
Mr. Vinod Kumar Sharma@	1	0
Mr. Arun Kumar Verma@	1	1
Mr. Ramesh Rangan	8	8
Dr. Gulshan Rai#	7	6
Mr. P N Vasudevan, MD & CEO#	7	5

#Appointed as a Member of the Committee with effect from 16 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

Value Research

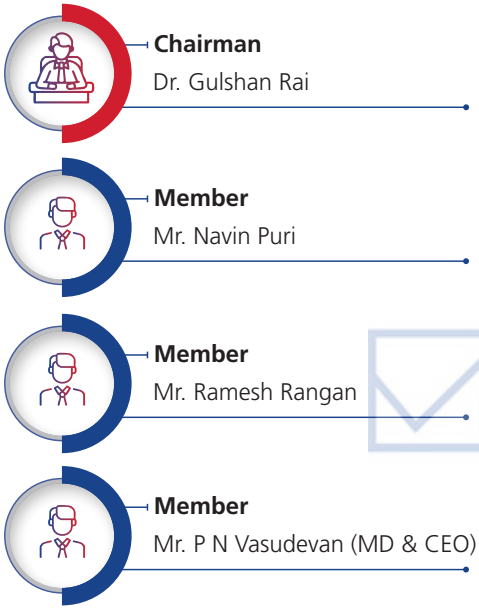
Terms of reference

The Committee makes suitable recommendations to the Board on formulation, review and amendment of the Policies of the Bank as it deems fit and in line with the regulations of RBI and other applicable laws and regulations.

OUTSOURCING COMMITTEE

Composition

As on 31st March 2025, the Outsourcing Committee of the Board comprised of three (3) Independent Directors and the MD & CEO as below:



Meetings & Attendance

The Committee held two (2) Meetings during the year on 05 September, 2024 and 07 March, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Dr. Gulshan Rai, Chairman^	2	2
Mr. Navin Puri	2	2
Mr. Ramesh Rangan#	2	2
Mr. P N Vasudevan, MD & CEO	2	2

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

Terms of reference

1. Approving a framework to evaluate the risks and materiality of all existing and prospective outsourcing and the policies that apply to such arrangements;
2. Laying down appropriate approval authorities for outsourcing depending on risks and materiality;
3. Undertaking regular review of outsourcing strategies and arrangements for their continued relevance, and safety and soundness;
4. Deciding on business activities of a material nature to be outsourced; and
5. Approving specific outsourcing arrangements.

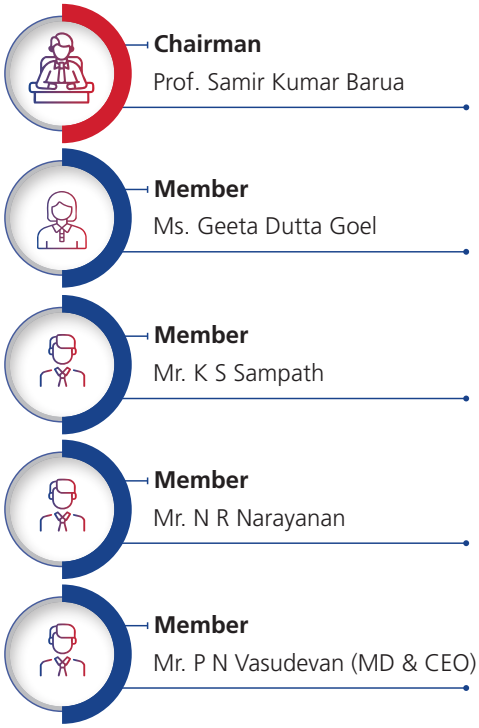
SPECIAL COMMITTEE FOR MONITORING AND FOLLOW-UP OF CASES OF FRAUDS (FORMERLY SPECIAL COMMITTEE FOR MONITORING HIGH VALUE FRAUDS)

The Board of Directors in its meeting held on 08 November, 2024 had approved the change in nomenclature of the Committee from 'Special Committee for Monitoring High Value Frauds' to 'Special Committee for Monitoring and Follow-up of cases of Frauds' and the terms of reference as per RBI Master Direction on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions (AIFIs) dated July 15, 2024.

Value Research

Composition

As on 31st March 2025, the Committee comprised of four (4) Independent Directors and the MD & CEO as below:



VALUE RESEARCH PREMIUM

Meeting & Attendance

The Committee held four (4) Meetings during the year on 22 April, 2024, 24 July, 2024, 23 October, 2024 and 13 February, 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Prof. Samir Kumar Barua, Chairman^	4	4
Mr. N Srinivasan$	1	1
Mr. Arun Kumar Verma@	1	1
Ms. Geeta Dutta Goel	4	4
Mr. K S Sampath#	3	3
Mr. N R Narayanan#	3	3
Mr. P N Vasudevan, MD & CEO	4	4

^Was a Member of the Committee till 15 July, 2024 and Inducted as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

$Was the Chairman of the Committee till 15 July, 2024.

@Was a Member of the Committee till 15 July, 2024.

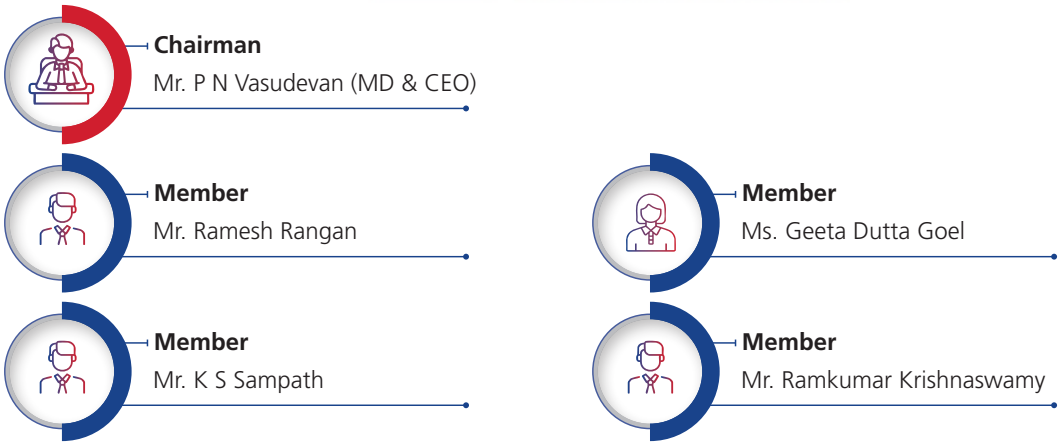
Terms of reference

1) To oversee the effectiveness of fraud risk management in the Bank;
2) To review and monitor instances of fraud including root cause analysis;
3) To suggest measures for strengthening internal controls, risk management framework and minimizing the incidence of fraud; and
4) To review retail cyber frauds and electronic banking frauds - modus operandi and the steps taken by the bank to mitigate them.

REVIEW COMMITTEE FOR IDENTIFICATION OF WILFUL DEFAULTERS

Composition

As on 31st March 2025, the Review Committee for Identification of Wilful Defaulters comprised of four (4) Independent Directors and MD & CEO as below:



Meeting & Attendance

The Committee held one (1) Meeting during the year on 17 March, 2025.

Name of the Members of the Committee	No. of Meeting	
	Eligible to attend	Attended
Mr. P N Vasudevan, Chairman (MD & CEO)	1	1
Mr. Ramesh Rangan	1	1
Ms. Geeta Dutta Goel	1	1
Mr. K S Sampath#	1	1
Mr. Ramkumar Krishnaswamy#	1	0

#Appointed as a Member of the Committee with effect from 16 July, 2024.

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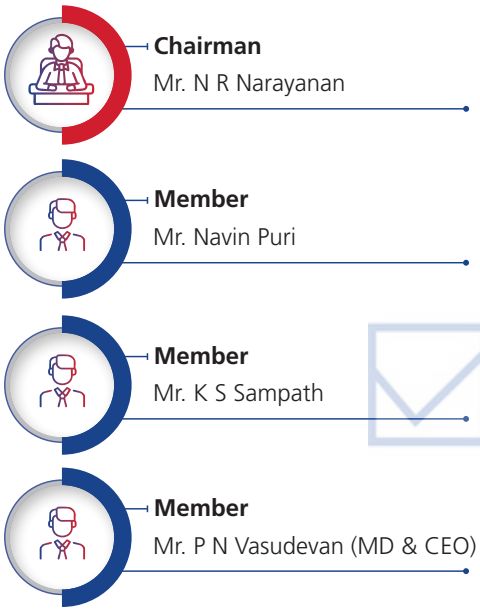
Terms of reference

The Committee reviews the decisions of the Executive Committee for identification of Wilful defaulters / non-cooperative borrowers and finalise the same.

COMMITTEE FOR REVIEW OF HIGH VALUE STRESSED ASSETS

Composition

As on 31st March 2025, the Committee for Review of High Value Stressed Assets comprised of three (3) Independent Directors and MD & CEO as below:



Meeting & Attendance

The Committee held one (1) Meeting during the year on 13 February, 2025.

Name of the Members of the Committee	No. of Meeting	
	Eligible to attend	Attended
Mr. N R Narayanan, Chairman^	1	1
Mr. Navin Puri	1	1
Mr. K S Sampath#	1	1
Mr. P N Vasudevan, MD & CEO	1	1

^Appointed as the Chairman of the Committee with effect from 16 July, 2024.

#Appointed as a Member of the Committee with effect from 16 July, 2024.

Terms of reference

1. To review the Non-Performing Assets above the threshold of ₹ 5 crores of loan outstanding and to take a view for the transfer of such assets or otherwise;
2. To take note of the exceptions on any deviations in stressed loans from the three years vintage filter as reported by the Executive Committee; and
3. The Committee will meet at least once a year and also at such times as may be considered necessary by the Management.

Joint Meeting of Committees

Besides the above Committee Meetings, there was also one (1) Joint Meeting of Audit Committee and IT Strategy Committee held on 05 July, 2024. Attendance of the meeting is mentioned below:

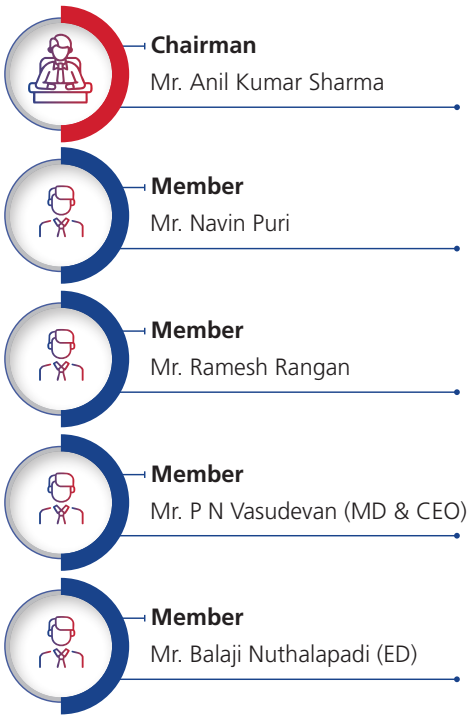
Attendance of Joint Meeting of Audit Committee and IT Strategy Committee

Name of the Members	No. of Meeting	
	Eligible to attend	Attended
Mr. Arun Kumar Verma	1	1
Mr. Vinod Kumar Sharma	1	1
Prof. N Balakrishnan	1	1
Mr. Navin Puri	1	0
Mr. Ramesh Rangan	1	1
Prof. Samir Kumar Barua	1	1
Mr. P N Vasudevan, MD & CEO	1	1

CAPITAL RAISING COMMITTEE

Composition

The Committee was constituted in the Board meeting held on 30 May, 2025 comprising of three (3) Independent Directors, MD & CEO and ED as below:



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Terms of reference

The terms of reference of Committee includes issue and allotment of equity shares towards raising capital for the Bank and other allied activities related to the process.

GENERAL BODY MEETINGS

The details of the Annual General Meetings held in the last three years are as follows:

Financial Year ended	Date	Time	Location / Mode	No. of Special Resolution[s] passed	Details of Special Resolutions passed
31 March, 2024	10 September, 2024	11:00 A.M.	Video Conferencing/ Other Audio Visual Means (VC/OAVM)	Seven (7)	a. Appointment of Mr. Narayanan Rajagopalan Nadadur (DIN: 07877022) as an Independent Director of the Bank b. Appointment of Mr. Keezhayur Sowrirajan Sampath (DIN: 07924755) as an Independent Director of the Bank c. Appointment of Mr. Ramkumar Krishnaswamy (DIN: 00244711) as an Independent Director of the Bank d. Re-appointment of Mr. Navin Puri (DIN: 08493643) as an Independent Director e. Issuance of Redeemable Unsecured Non-Convertible Debentures / Bonds / other debt securities on a private placement basis f. To approve the alteration of Articles of Association of the Bank g. Approval of Borrowing limits
31 March, 2023	29 August, 2023	04:30 P.M.	Video Conferencing/ Other Audio Visual Means (VC/OAVM)	One (1)	Approval of Borrowing limits to an aggregate sum of ₹ 12,000 crore
31 March, 2022	19 July, 2022	04:00 P.M.	Video Conferencing/ Other Audio Visual Means (VC/OAVM)	Six (6)	a. Appointment of Prof. Samir Kumar Barua (DIN: 00211077) as Independent Director for a period of 5 years with effect from 27th December, 2021 b. Appointment of Ms. Geeta Dutta Goel (DIN: 02277155) as Independent Director for a period of 5 years with effect from 27th December, 2021 c. Reappointment of Mr. P N Vasudevan (DIN: 01550885) as Managing Director & CEO for a period of 3 years with effect from 23rd July, 2022 d. Revision of remuneration payable to Mr. P N Vasudevan, Managing Director & CEO of the Bank subject to the approval of RBI e. Alteration of Articles of Association of the Bank subject to the approval of the RBI. f. Remuneration payable to Mr. Murali Vaidyanathan (DIN: 09594986) as a Whole Time Director

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All the proposed resolutions, including Special Resolutions, were passed by the members as set out in the respective Notices except for the following resolution proposed at the AGM held on 19 July, 2022:

Approval of Remuneration payable to Mr. Rohit Gangadharrao Phadke (DIN: 07293524) as Whole Time Director

During the year ending 31 March, 2025 below resolutions were passed through Postal Ballot:

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Bank had inter-alia sought approval of Members of the Bank by Postal Ballot through e-voting for the following agendas and approved with requisite majority by the Members of the Bank as below:

Particulars of the Resolution	Appointment of Dr. Gulshan Rai (DIN:01594321) as Independent Director of the Bank	Appointment of Mr. Anil Kumar Sharma (DIN:08537123) as Independent Director of the Bank	Appointment of Mr. Anil Kumar Sharma (DIN: 08537123) as Part-time Chairman of the Bank
Type of Resolution	Special	Special	Ordinary
No. of valid votes	658319315	658317521	658316040
In favour	658263983	651381917	652318526
Percentage (%) in favour of the resolution	99.9916	98.9464	99.089
Against	55332	6935604	5997514
Percentage (%) against the resolution	0.0084	1.0536	0.911

Name of the Scrutiniser	Dr B Ravi, Practicing Company Secretary
Date of completion of Postal Ballot	June 06, 2024
Date of Report of Scrutiniser	June 07, 2024
Date of declaration of Results	June 07, 2024

Further, a special resolution has been placed before the members through postal ballot seeking approval to raise capital by way of a qualified institutions placement to eligible investors through an issuance of equity shares or other eligible securities for an amount aggregating up to ₹ 1,250 crores.

There is no proposal to pass special resolutions through postal ballot except those requiring to be passed under the Companies Act, 2013 / Listing Regulations which will be done after providing adequate notice to the shareholders.

Procedure for Postal Ballot

The Postal Ballot process was carried out as per the procedure stipulated under Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. During the process of Postal Ballot, shareholders were provided the remote e-voting facility pursuant to Regulation 44 of SEBI Listing Regulations and the said rules.

MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Bank are published in an English and Regional language [Tamil] newspaper normally, viz., Financial Express and Makkal Kural, respectively. The Bank's financial results, official news releases, presentations made to institutional investors / analysts and transcript of investor calls are hosted on the website of the Bank Click here

The financial results and other information filed by the Bank from time to time are available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

GREEN INITIATIVES

Pursuant to Section 136 of the Companies Act, 2013 read along with Rule 11 of the Companies (Accounts) Rules, 2014, MCA General Circular No. 09/2024 dated 19 September, 2024 and SEBI Circular bearing reference SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 03 October, 2024 and as a measure of promoting Green Initiatives, the Bank will be sending the financial statements for the year ended March 31, 2025 and Notice of the Ninth Annual General Meeting by electronic mode to those Members whose email Ids are registered with the Depository Participant(s) / Bank for communication purposes. For Members who have not registered their email

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address, physical copies will be sent in the permitted mode, upon request. The Bank seeks your support in promoting the Green Initiatives, as it is designed to protect our fragile environment.

GENERAL MEMBER INFORMATION

Annual General Meeting Day & Date	Wednesday, September 10, 2025
Time	At 11.00 A.M. IST
Venue / Mode	By Video-Conferencing/ Other Audio Visual Means ("VC/OAVM"). The Registered Office of the Bank shall be deemed to be the venue of the meeting.
Financial year	01st April, 2024 to 31st March, 2025
Dividend Payment date	Bank has not proposed any dividend for the financial year ended 31 March, 2025. Accordingly, the same is not applicable.
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):	**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 – 400 051
Listing Fees	Annual Listing fees for the financial year 2024-25 payable to the stock exchanges on which the Bank's shares are listed have been paid in full.
ISIN	Equity - INE063P01018 Debt - INE063P08112
Securities suspended from trading	The securities of the Bank were not suspended from trading during the year under review.
Registrar to an issue and Share Transfer Agent	**KFin Technologies Limited** Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500 032, Telangana. Phone: +91 40 6716 2222
Share transfer system	100% of the equity shares of the Bank (other than 115 equity shares) are in electronic form. Transfer of shares which are currently traded in demat form are processed by the Depositories through its Depository Participants with no involvement of the Bank. As regards transfer of shares held in physical form, the transfer documents can be lodged with RTA at the address mentioned above. Pursuant to an amendment to the Listing Regulations effective April 01, 2019, any request for transfer of shares shall be processed for shares held in dematerialized form only. Further SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated to issue securities in dematerialized form only while processing service requests viz., issue of duplicate share certificate, claim from unclaimed suspense account, renewal or exchange of securities certificate, endorsement, sub-division / splitting, consolidation of share certificates, transmission, transposition, etc.

Report on Corporate Governance

Distribution of shareholding (as on March 31, 2025)	Details are provided in the table below
Dematerialization of shares and liquidity (as on March 31, 2025)	The total number of shares (issued and paid-up) of the Bank as on March 31, 2025 are 1139862421, out of which 1139862306 shares are in dematerialized form except 115 shares which constitute less than 0.01% of the paid up share capital.
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 Small Finance Bank Limited 4th Floor, Phase-II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai – 600 002 Phone: +91 44 42995000; Fax: +9144 42995050 Email: cs@equitasbank.com

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Rating Agency	Instrument	Rating	Amount	Status
CRISIL Ratings Limited	Certificate of Deposit	CRISIL A1+	₹ 100 crores	Reaffirmed on June 26, 2024
CARE Ratings Limited	Issuer Rating	CARE AA-; Stable (Double A Minus; Outlook: Stable)	-	Reaffirmed on September 24, 2024
	Certificate of Deposit	CARE A1+ (A One plus)	₹ 650 crores (Enhanced from ₹ 250 Crores)	Reaffirmed on September 24, 2024
	Lower Tier II Bonds (Basel II) *(Proposed)*	CARE AA-; Stable (Double A Minus; Outlook: Stable)	₹ 500 crores	Assigned on September 24, 2024
	Issuer Rating	CARE AA-; Stable	-	Reaffirmed on January 29, 2025
	Lower Tier II Bonds (Basel II)	CARE AA-; Stable	₹ 500 crores	Reaffirmed on January 29, 2025
	Certificate of Deposit	CARE A1+	₹ 1,500 crores (Enhanced from ₹ 650 crores)	Reaffirmed on January 29, 2025

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Rating Agency	Instrument	Rating	Amount	Status
India Ratings and Research Private Limited	Long-Term Issuer Rating	IND AA-/Stable	-	Affirmed on June 13, 2024
	Certificate of Deposit	IND A1+	₹ 1,750 crores	Affirmed on June 13, 2024
	Certificate of Deposit	IND A1+	₹ 500 crores	Assigned on June 13, 2024
	Issuer Rating	IND AA-/Stable	-	Affirmed on October 07, 2024
	Tier II Bonds (unutilised limits) *(Proposed)*	IND AA-/Stable	₹ 500 crores	Assigned on October 07, 2024
	Certificate of Deposit	IND A1+	₹ 2,250 crores	Affirmed on October 07, 2024
	Issuer Rating	IND AA-/Stable	-	Affirmed on February 28, 2025
	Certificate of Deposit	IND A1+	₹ 250 crores	Assigned on February 28, 2025
	Certificate of Deposit	IND A1+	₹ 2,250 crores	Affirmed on February 28, 2025
	Tier II Bond	IND AA-/Stable	₹ 500 crores	Affirmed on February 28, 2025

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Shareholding pattern as on 31st March, 2025

DESCRIPTION	No. of shares	% of shareholding
Alternative Investment Fund	2,69,65,866	2.37
Bodies Corporate	3,55,68,678	3.12
Companies or Bodies Corporate where Central / State Government is a promoter	300	0.00
Clearing Members	16,043	0.00
Directors and their Relatives (Excluding Independent Directors And Nominee Directors)	30,85,229	0.27
Foreign Companies	3,27,45,486	2.87
Foreign Portfolio Investors – Category I	13,78,05,195	12.09
Foreign Portfolio Investors – Category II	4,99,77,289	4.38
H U F	94,10,505	0.83
Insurance Companies	3,17,34,610	2.78
Key Managerial Personnel	6,79,057	0.06
Mutual Funds	42,80,35,287	37.55
NBFC	27,300	0.00
Non Resident Indians	1,80,28,586	1.58
Resident Individuals	36,51,42,881	32.04
Trusts	4,34,928	0.04
Unclaimed Securities Account	2,05,181	0.02
Total	**1,13,98,62,421**	**100.00**

Distribution of equity shareholding as on 31st March, 2025:

Category (Shares)	No. of Members	% of Members	No. of Shares	% of shareholding
1 - 5000	4,39,091	98.00	15,64,75,235	13.73
5001 - 10000	4,925	1.10	3,47,35,002	3.05
10001 - 20000	2,176	0.49	3,00,74,248	2.64
20001 - 30000	674	0.15	1,65,92,424	1.46
30001 - 40000	287	0.06	99,38,518	0.87
40001 - 50000	187	0.04	85,65,742	0.75
50001 - 100000	323	0.07	2,27,93,626	2.00
100001 and above	398	0.09	86,06,87,626	75.51
TOTAL:	**4,48,061**	**100.00**	**1,13,98,62,421**	**100.00**

Name, Designation and address of Compliance Officer:

N Ramanathan
Company Secretary & Compliance Officer
Equitas Small Finance Bank Limited
4th Floor, Phase-II, Spencer Plaza,
No.769, Mount Road, Anna Salai, Chennai – 600 002
Phone: +91 44 4299 5000; Fax: +91 44 4299 5050
Email: cs@equitasbank.com

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PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Name of the Senior Management	Designation
Mr. P N Vasudevan	Managing Director & Chief Executive Officer
Mr. Balaji Nuthalapadi	Executive Director
Mr. N Sridharan	Chief Financial Officer
Mr. N Ramanathan	Company Secretary
Mr. Murali Vaidyanathan	Senior President & Head Liabilities
Mr. Rohit Gangadharrao Phadke*	Senior President
Mr. Ashwini Biswal	Chief Compliance Officer
Mr. P M Sibi	Chief Risk Officer
Mr. V S Sivapprakash	Head - Internal Audit & Vigilance
Mr. M Natarajan*	Head - Treasury
Mr. S Sethupathy	Head – Process & Quality Assurance
Mr. Vivek Vitthal Dhavale	Chief Technology Officer
Mr. Siby Sebastian*	President & Head – Operations
Mr. Pallab Mukherji	Chief People Officer
Mr. Dheeraj Mohan	Head - Strategy, Customer Experience & Investor Relations
Mr. John Alex	Head – Lead Bank, Govt. Liaison & Social Initiatives
Mr. Vignesh Murali	Head – Marketing, Brand & Corporate communication
Mr. Arcot Sravanakumar*	President - Infrastructure & Facilities Management
Mr. J Jagadesh*	Head - Assets
Mr. G Gopalakrishnan*	Head - Treasury

**Mr. Arcot Sravanakumar was appointed as President - Infrastructure & Facilities Management w.e.f 06 March, 2025 and Mr. Siby Sebastian continued as President & Head - Operations.*

Mr. J Jagadesh was appointed as Head - Assets w.e.f 01 May, 2025 consequent to the impending retirement of Mr. Rohit Gangadharrao Phadke.

Mr. G Gopalakrishnan was appointed as Head - Treasury w.e.f 01 July, 2025 consequent to the impending retirement of Mr. M Natarajan.

OTHER DISCLOSURES

A. Disclosure of materially significant related party transactions that may have potential conflict with the interests of listed entity at large and web link of policy dealing with related party transactions.

There were no materially significant related party transactions having potential conflict with the interests of the Bank during financial year 2024-25. All the related party transactions entered into during financial year were in the ordinary course of business and at arm's length basis certified by audit firm and approved by the Audit Committee and taken note of by the Board.

The particulars of transactions between the Bank and its related parties, as defined under Section 2(76) of the Companies Act, 2013 and in Accounting Standard 18, are set out in the financial statements. The Board has put in place a policy and the same is available on the website of the Bank Click here

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

During FY 2023-24, BSE Limited had vide their e-mail dated January 03, 2024 had disallowed the waiver request pertaining to the fine of ₹ 11,800/- (Rupees Eleven Thousand Eight Hundred only) (including GST) each for two counts, imposed on the Bank for one-day's delay in intimation of Record date for interest payment and redemption of Non-Convertible Debentures submitted during August 2022 pursuant to Regulation 60(2) of the SEBI Listing Regulations. Accordingly, the Bank remitted the total amount of ₹ 23,600/- (including GST) and intimated the same to the Stock Exchanges on January 25, 2024.

C. Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

The Bank has established a Whistle Blower Policy pursuant to which Directors, employees and vendors of the Bank can report their concerns on unethical and improper behavior, practices, actual or suspected fraud or violation of the Bank's Code of Conduct or any other wrongful conduct in the Bank or of its employees. No personnel of the Bank were denied access to the Audit Committee from raising whistle blower complaint. The Policy is available in the Bank's website Click here

D. Mandatory Requirements

The Bank is in compliance with the mandatory requirements as specified in Regulation 34(3) of the Listing Regulations.

E. Non-Mandatory Requirements

a. The office of the Non-Executive Chairman is maintained by the Bank and all expenses incurred in performance of his duties are reimbursed by the Bank.

b. The quarterly, half-yearly and annual results of the Bank are available in the website of the Bank https://ir.equitasbank.com/ and also published in widely circulated newspapers.

c. The Bank has a record of unqualified financial statements since inception.

d. The Bank has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

e. During the year on a quarterly basis, the Head of Internal Audit Department had held separate discussions with the Audit Committee without the presence of the Management team.

F. Disclosure of Policy on determining Material Subsidiaries:

There are no subsidiaries for the Bank. Hence, the disclosure does not arise.

G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

During the year under review, the Bank has not raised any funds through preferential allotment / Qualified Institutions Placement. Hence the aforesaid disclosure does not arise.

H. Certification on non-incurrence of disqualification

M/s. Shanmugam Rajendran & Associates LLP, Practicing Company Secretaries have certified that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The said certificate forms part of this Report as **Annexure D**.

I. Details where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year and disclosure thereof:

All recommendations of the Committees have been accepted by Board.

J. Details of fee paid to Joint Statutory Auditors:

The Bank does not have any subsidiaries. No fee was paid during the year to any entity in the network firm / network entity of which the Joint Statutory Auditors are part of. The total fees paid by the Bank for the services rendered by Joint Statutory Auditors for FY 2024-25 is given below:

Particulars		Fee (₹ in lakh)
i)	In capacity as Auditors	
	Audit fees (including fee for limited review)	102.41
	Statutory Certificates	1.25
	Other Reporting services	
	Reimbursement of expenses	2.98
ii)	Other capacity	
	Tax Audit	6.94
Total		**113.58**

K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The particulars of complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review are disclosed in the Board's report.

L. Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms / companies in which directors are interested

The aforesaid disclosure is exempt for Listed Banks.

CODE OF CONDUCT

As per the Bank's policy on Code of Conduct for Directors and Senior Management, all Directors and Senior Management Personnel have affirmed compliance with the Code for the FY 2024-25. The declaration to this effect from the MD & CEO is annexed with this Report as **Annexure E.**

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COMPLIANCE CERTIFICATE REGARDING COMPLIANCE WITH CORPORATE GOVERNANCE

The Bank 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 the Listing Regulations and amendments thereto, as applicable, with regard to Corporate Governance.

M/s. Shanmugam Rajendran & Associates LLP, Practicing Company Secretaries and Secretarial Auditors of the Bank have certified that the Bank has complied with all the mandatory requirements as stipulated under the Listing Regulations. The said Certificate is annexed to this Report as **Annexure F.**

EQUITY SHARES HELD IN THE DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V of the SEBI Listing Regulations, the Bank reports that the shares issued pursuant to the Scheme of Amalgamation between Equitas Holdings Limited (EHL) and Bank, to those record date members of erstwhile EHL, who held shares in physical form are held in demat suspense account of the Bank along with rejections under dematerialized shares.

Particulars for FY 2024-25	Number of members	Number of equity shares
Aggregate number of members and the outstanding shares in the demat suspense account of the Bank as on 01 April, 2024	178	2,08,345
Number of members who approached the Bank for transfer of shares from demat suspense account during the year	3	3,164
Number of members to whom shares were transferred from the demat suspense account during the year	3	3,164
Aggregate number of members and the outstanding shares in the demat suspense account of the Bank as on 31 March, 2025	175	2,05,181

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to Section 124(6) and Section 125 of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto, the amount of unpaid / unclaimed dividend for a period of seven (7) years from the date of transfer to the Unpaid Dividend account is required to be transferred to Investor Education and Protection Fund established by the Central Government.

Pursuant to the Scheme of Amalgamation of the Bank and Equitas Holdings Limited (EHL), the unpaid interim dividend accounts of EHL have been transferred to Bank, which details are available in the Bank's website Click here. During the FY 2023-24, the Bank had declared a maiden dividend of ₹ 1/- per equity share having face value of ₹ 10/- each fully paid up and during FY 2024-25, the Bank had declared a dividend of ₹ 1/- per equity share having face value of ₹ 10/- each fully paid up.

As per the aforementioned provisions, there was no unclaimed / unpaid dividend or shares liable to be transferred to the IEPF during the FY 2024-25.

MD & CEO and CFO CERTIFICATION

MD & CEO and CFO certificate to the Board as per Regulation 17(8) of the Listing Regulations is enclosed as **Annexure G.**

FAIR PRACTICES CODE

The Bank has adopted the Fair Practices Code pursuant to the RBI guidelines issued in this regard, which is placed on the Bank's website and displayed at all Branches of the Bank.

INTERNAL CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board has adopted an Internal Code of Conduct for Prevention of Insider Trading in the securities of the Bank. The Code interalia requires Designated Persons obtaining pre-clearance from the appropriate authority in the Bank for dealing in the securities of the Bank as per the criteria specified therein and prohibits the purchase or sale of securities of the Bank while in possession of Unpublished Price Sensitive Information in relation to the Bank besides during the period when the trading window is closed. The period of trading window closure is intimated to all concerned well in advance from time to time.

REGULAR UPDATES

The Bank keeps the Board and stakeholders updated on the developments in the Bank and all events and happenings of importance in the sector.

For and on behalf of the Board of Directors

P N Vasudevan
MD & CEO
DIN: 01550885

Anil Kumar Sharma
Part - Time Chairman
DIN: 08537123

Place: Chennai
Date: June 27, 2025

www.valueresearchonline.com, www.valueresearchstocks.com

Annexure D

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Equitas Small Finance Bank Limited
CIN: L65191TN1993PLC025280
4th Floor, Phase II, Spencer Plaza,
No.769, Mount Road, Anna Salai,
Chennai-600002

Dear Members,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Equitas Small Finance Bank Limited having CIN: L65191TN1993PLC025280 and having registered office at 4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai - 600002 (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Bank*
1	Mr. Anil Kumar Sharma	08537123	25/04/2024
2	Mr. Navin Puri	08493643	22/11/2019
3	Mr. Asuri Ramesh Sholinghur	07586413	09/11/2020
4	Mr. Samirkumar Barua	00211077	27/12/2021
5	Ms. Geeta Dutta Goel	02277155	27/12/2021
6	Mr. Gulshan Rai	01594321	28/03/2024
7	Mr. Keezhayur Sowrirajan Sampath	07924755	16/07/2024
8	Mr. Narayanan Rajagopalan Nadadur	07877022	16/07/2024
9	Mr. Ramkumar Krishnaswamy	00244711	16/07/2024
10	Mr. Vasudevan Pathangi Narasimhan	01550885	21/03/2011
11	Mr. Balaji Nuthalapadi	08198456	28/03/2025**

**The date of appointment is as per the MCA Portal*

***Mr. Balaji Nuthalapadi was appointed as a Whole Time Director (Executive Director) of the Bank at the Board meeting held on March 28th, 2025 for a period of 3 (three) years with effect from the date of taking charge i.e., March 29, 2025, subject to the approval of the Shareholders of the Bank.*

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Place: Chennai
Date: 30th May, 2025

For Shanmugam Rajendran & Associates LLP
(Formerly: SR ***Srinivasan & Co.*** LLP)

CS S Rajendran
Managing Partner
FCS No.: 3727 CP No.: 14055
FRN: L2017TN002700
P/R: 1177/2021
UDIN: F003727G000506559

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Annexure E

Declaration regarding compliance by Board of Directors and Senior Management Personnel with the Bank's Code of Conduct

The Bank has, in respect of the financial year ended 31st March, 2025 received a declaration in writing from all the Members of the Board and Senior Management Personnel of the Bank affirming adherence to the Code of Conduct adopted by the Bank.

P N Vasudevan
Managing Director and Chief Executive Officer

Place: Chennai
Date: June 10, 2025

Annexure F

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members
Equitas Small Finance Bank Limited
CIN: L65191TN1993PLC025280
4th Floor, Phase II, Spencer Plaza
No.769, Mount Road, Anna Salai
Chennai – 600 002

Dear Members,

We have examined the compliance of the conditions of Corporate Governance by Equitas Small Finance Bank Limited ("the Bank") CIN: L65191TN1993PLC025280 for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, as adopted by the Bank for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the management, we certify that the Bank, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March 2025.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For Shanmugam Rajendran & Associates LLP
(Formerly: SR ***Srinivasan & Co.*** LLP)

CS S Rajendran
Managing Partner
FCS No.: 3727 CP No.: 14055
FRN: L2017TN002700
P/R: 1177/2021
UDIN: F003727G000506515

Place: Chennai
Date: 30th May, 2025

Annexure G

MD & CEO and CFO CERTIFICATION

The Board of Directors
Equitas Small Finance Bank Limited

This is to certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2025 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 Bank'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 Bank during the year which are fraudulent or illegal or violative of the Bank'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 Bank pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
   a. Significant changes in internal control over financial reporting during the year; **NIL**
   b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c. Instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting. **NIL**

For Equitas Small Finance Bank Limited

Vasudevan P N
MD & CEO

Sridharan N
CFO

Date: April 28, 2025
Place: Chennai

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Independent Auditor's Report

To the Members of Equitas Small Finance Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Equitas Small Finance Bank Limited (the "Bank"), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013, as amended (the "Act") in the manner so required for Banking Companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rules made thereunder, of the state of affairs of the Bank as at March 31, 2025, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Financial Statements' section of our report. We are independent of the Bank in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India(ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI 's 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 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 financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the 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.

S. No.	Key Audit Matters	How our Audit Addresses our Key Audit Matters
Identification of non-performing advances and provisioning for advances		
1	Advances form a material portion of the Bank's assets and the quality of the Bank's loan portfolio is measured in terms of the proportion of non-performing assets (NPAs) to the total loans and advances. Identification, classification and provisioning of NPAs are governed by the prudential norms on income Recognition and Asset Classification ("IRAC") issued by the Reserve Bank of India ("RBI") which include rule-based and judgemental factors. Management is also required to make estimates of stress, recoverability issues, and security erosion in respect of specific borrowers or groups of borrowers, on account of specific factors that may affect such borrowers/groups. In view of the significance of this area to the overall audit of financial statements, it has been considered as a key audit matter.	We considered the Bank's accounting policies for NPA identification, and provisioning and have assessed the compliance with the IRAC norms prescribed by the RBI. We tested the operating effectiveness of the controls (including application and IT dependent controls) for borrower wise classification of loans in the respective asset classes viz., standard, sub-standard, doubtful and loss with reference to their days-past-due (DPD) status. We considered the special mention accounts ("SMA") reports submitted by the Bank to the RBI's central repository of information on large credits (CRILC) and made inquiries of personnel in the Bank's credit and risk departments regarding indicators of stress, perceived risk and mitigating steps taken and/ or the occurrence of specific event(s) of default or other factors affecting the loan portfolio/particular loan product category, that may affect NPA identification and/or provisioning. Selected the borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per extant IRAC norms and Bank policy. We performed analytical procedures which considered both financial and non-financial parameters, in relation to identification of NPAs and provisioning there against.

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Information Technology ("IT") Systems and Controls impacting Financial Reporting		
2	The IT environment of the Bank is complex and involves a large number of independent and interdependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. The IT infrastructure is critical for smooth functioning of the Bank's business operations as well as for timely and accurate financial accounting and reporting. IT general controls include user access management and change management across applications, networks, database, and operating systems. Due to the pervasive nature and complexity of the IT environment as well as its significance in relation to accurate and timely financial reporting we have identified this area as a key audit matter.	As part of our Audit, we have carried out testing of the IT general controls, application controls and IT dependent manual controls of the financially significant applications. We have gained an understanding of IT controls framework through Walkthrough of processes. We have referred to the reports of Information Systems Audit. We have also tested the design and operating effectiveness of the Bank's IT general controls in the nature of controls over logical access, change management, and other aspects of IT controls over the key information systems that are critical to financial reporting. These included testing that requests for access to systems were reviewed and authorized. Where deficiencies were identified, we tested compensating controls or performed alternate procedures sufficient to confirm that the control objectives are satisfied.

Other Matter

The financial statements of the bank for the year ended March 31, 2024 were jointly audited by M/s Varma & Varma and ASA & Associates LLP, who, vide their report dated April 24, 2024, expressed an unmodified opinion on those financial statements.

Information other than the Financial Statements and Auditors' Report thereon

The Bank'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 financial statements and our auditor's report thereon. The Bank's annual report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the financial statements does not cover the other information and Pillar 3 disclosure under Basel III Capital Regulations, including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India' ("RBI") and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Bank's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take appropriate actions.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended, in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949, and circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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

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Independent Auditor's Report (Contd.)

presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank'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 the management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Bank has adequate internal financial controls with reference to financial statements 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 Bank'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 Bank to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2025 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. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and section 133 of the Act read the Companies (Accounting Standards) Rules, 2021, as amended.

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Independent Auditor's Report (Contd.)

2. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949 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 purpose of our audit and have found them to be satisfactory;

   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   c) The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches. Our audit is carried out centrally as all the necessary records and data required for the purposes of our audit are centrally available. However, we have visited 36 branches for the purpose of our audit, in compliance with the extant RBI Circular.

3. 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 Bank so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read the Companies (Accounting Standards) Rules, 2021, as amended, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

   (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 Bank with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A" to this report;

   (g) In our opinion, the provisions of section 197 of the Act are not applicable to the bank by virtue of Section 35B(2A) of the Banking Regulation Act 1949; and

   (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 Bank has disclosed the impact of pending litigations as at March 31, 2025 on its financial position in its financial statements – Refer to Schedule 12 to the financial statements;

      ii. The Bank 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 Bank;

      iv. a) The Management of the Bank has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons/entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The Management of the Bank has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Bank from any persons/entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the bank shall, whether, directly or indirectly, lend

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Independent Auditor's Report (Contd.)

or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the management under sub- clause (a) and (b) above contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Bank during the year is in accordance with Section 123 of the Act, as applicable.

vi. a) Based on our examination which included test checks, the bank has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

b) Audit trail has been preserved by the Company as per the statutory requirements for record retention in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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For ASA & Associates LLP
Chartered Accountants
ICAI FRN: 009571N/N500006

G N Ramaswami
Partner
ICAI Membership No. 202363
UDIN: 25202363BMOQGY7155

Place: Chennai
Date: 30-04-2025

For Suri & Co.,
Chartered Accountants
ICAI FRN: 004283S

Sanjeev Aditya M
Partner
ICAI Membership No. 229694
UDIN: 25229694BMIIIL8430

Place: Mumbai
Date: 30-04-2025

Annexure-A to the Independent Auditor's Report of even date on the Financial Statements of Equitas Small Finance Bank Limited

Report on the Internal Financial Controls Over Financial Reporting with reference to the Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting with reference to Financial Statements of Equitas Small Finance Bank Limited (the "Bank") as of March 31, 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, an adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2025, based on the internal control with reference to Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls Over Financial Reporting with reference to the Financial Statements

The Bank's Board of directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with reference to the financial statement criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. 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 Bank'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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 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 control system over financial reporting with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to Financial Statements included obtaining an understanding of internal financial controls over financial reporting with reference to 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 Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over financial reporting with reference to Financial Statements

A Bank's internal financial control with reference to 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 Bank's internal financial control over financial reporting with reference to 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 bank;

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 bank are being made only in accordance with authorizations of management and directors of the bank; and

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Annexure-A to the Independent Auditor's Report of even date on the Financial Statements of Equitas Small Finance Bank Limited (Contd.)

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over financial reporting with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to 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 Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For ASA & Associates LLP
Chartered Accountants
ICAI FRN: 009571N/N500006

G N Ramaswami
Partner
ICAI Membership No. 202363
UDIN: 25202363BMOQGY7155

Place: Chennai
Date: 30-04-2025

For Suri & Co.,
Chartered Accountants
ICAI FRN: 004283S

Sanjeev Aditya M
Partner
ICAI Membership No. 229694
UDIN: 25229694BMIIIL8430

Place: Mumbai
Date: 30-04-2025

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Balance Sheet

as on March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

Particulars	Schedule	As on March 31, 2025	As on March 31, 2024
CAPITAL AND LIABILITIES			
Capital	1	1,13,98,624	1,13,48,873
Reserves and Surplus	2	4,93,26,579	4,83,38,146
Deposits	3	43,10,67,209	36,12,92,022
Borrowings	4	2,13,69,900	1,78,75,300
Other liabilities and provisions	5	1,51,94,032	1,41,84,358
TOTAL		**52,83,56,344**	**45,30,38,699**
ASSETS			
Cash and balances with Reserve Bank of India	6	4,95,41,056	3,50,03,541
Balances with banks and money at call and short notice	7	58,21,937	7,85,975
Investments	8	9,28,86,851	9,06,52,723
Advances	9	36,20,88,881	30,96,42,999
Fixed Assets	10	69,57,024	60,47,251
Other Assets	11	1,10,60,595	1,09,06,210
TOTAL		**52,83,56,344**	**45,30,38,699**
Contingent Liabilities	12	79,46,021	40,96,901
Bills for collection		-	-
Summary of significant accounting policies	17		
Notes forming part of financial statements	18		

The accompanying notes are an integral part of the financial statements

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As per our report of even date

For ASA & Associates LLP,
Chartered Accountants
Firm Registration No.: 009571N/N500006

G N Ramaswami
Partner
Membership No: 202363
Place: Chennai
Date: April 30, 2025

For Equitas Small Finance Bank Limited

Anil Kumar Sharma
Part time Chairman and Independent Director
DIN:08537123
Place: Chennai
Date: April 30, 2025

Vasudevan PN
Managing Director and Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2025

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2025

For Suri & Co,
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694

Place: Mumbai
Date: April 30, 2025

N Sridharan
Chief Financial Officer

Place: Chennai
Date: April 30, 2025

Ramanathan N
Company Secretary
M.No: 28366

Place: Chennai
Date: April 30, 2025

Profit and Loss Account

for the year ended March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

Particulars		Schedule	Year ended March 31, 2025	Year ended March 31, 2024
I	**INCOME**			
	Interest earned	13	6,31,17,250	5,48,64,034
	Other income	14	91,14,891	79,86,706
	TOTAL		**7,22,32,141**	**6,28,50,740**
II	**EXPENDITURE**			
	Interest expended	15	3,06,01,124	2,40,66,428
	Operating expenses	16	2,82,88,345	2,50,10,668
	Provisions and contingencies (refer note. 18.14 (f))		1,18,72,173	57,84,042
	TOTAL		**7,07,61,642**	**5,48,61,138**
III	**PROFIT**			
	Net Profit for the year		14,70,499	79,89,602
	Profit/ (Loss) brought forward		93,68,219	59,86,387
	Add: Reversal ESOP cost on Lapse of options		35,758	4,831
	TOTAL		**1,08,74,476**	**1,39,80,820**
IV	**APPROPRIATIONS**			
	Transfer to Statutory Reserve		3,67,625	19,97,401
	Transfer to Special Reserve		72,385	1,94,648
	Transfer to Capital Reserve		1,23,113	11,475
	Transfer to Investment Reserve		-	17,794
	Transfer to Investment Fluctuation Reserve		2,00,000	12,75,000
	Dividend pertaining to previous year		11,36,647	11,16,283
	Balance carried over to Balance Sheet		89,74,706	93,68,219
	TOTAL		**1,08,74,476**	**1,39,80,820**
	Earnings per share (Basic) (in ₹)	18.19	1.29	7.12
	Earnings per share (Diluted) (in ₹)	18.19	1.29	7.01
	Face Value per share (in ₹)		10	10
Summary of significant accounting policies		17		
Notes forming part of financial statements		18		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For ASA & Associates LLP,
Chartered Accountants
Firm Registration No.: 009571N/N500006

G N Ramaswami
Partner
Membership No: 202363
Place: Chennai
Date: April 30, 2025

For Equitas Small Finance Bank Limited

Anil Kumar Sharma
Part time Chairman and
Independent Director
DIN:08537123
Place: Chennai
Date: April 30, 2025

Vasudevan PN
Managing Director and
Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2025

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2025

For Suri & Co,
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694

Place: Mumbai
Date: April 30, 2025

N Sridharan
Chief Financial Officer

Place: Chennai
Date: April 30, 2025

Ramanathan N
Company Secretary
M.No: 28366

Place: Chennai
Date: April 30, 2025

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Equitas Small Finance Bank

Cash Flow Statement

for the year ended March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash Flow from Operating activities		
Profit Before Tax	19,88,491	1,06,31,247
Adjustments for:		
Depreciation on Bank's property	14,81,493	13,44,156
Investments depreciation/NPI	-	4,43,787
(Profit)/Loss on revaluation of investments	31,403	-
Amortisation of premium/discount on investments	1,80,594	2,44,018
Provision for standard assets (including restructured standard assets) (net)	41,146	(1,83,049)
Provision for Standard Advances in Stressed sectors	4,06,956	(15,950)
Provision for Non performing advances (Including floating provision and Restructured NPA)	25,92,088	5,24,976
Other Provision and Contingencies	50,478	23,262
(Profit)/Loss on sale of fixed assets	(4,555)	(2,806)
Employee Stock Option Expenses	2,37,821	3,57,804
Operating Profit before working capital change	**70,05,915**	**1,33,67,445**
Adjustments for:		
(Increase)/Decrease in investments	(22,72,998)	(2,47,35,578)
(Increase)/Decrease in advances	(5,49,77,445)	(5,21,41,734)
Increase/(Decrease) in deposits	6,97,75,187	10,78,07,196
(Increase)/Decrease in other assets	9,70,891	(19,20,609)
(Increase)/Decrease in lien marked fixed deposits	-	(7,11,031)
Increase/(Decrease) in other liabilities and provisions	5,09,925	(4,19,288)
Cash flows (used in)/generated from operations	**2,10,11,475**	**4,12,46,401**
Direct taxes paid (Net)	(16,43,267)	(29,11,032)
Net cash (used in)/ generated from operating activities (A)	**1,93,68,208**	**3,83,35,369**
Cash flow from investing activities		
Purchase of fixed assets	(24,46,838)	(36,35,543)
Proceeds from sale of fixed assets	60,127	38,245
Net cash (used in)/generated from investing activities (B)	**(23,86,711)**	**(35,97,298)**
Cash flow from financing activities		
Increase/(decrease) in borrowings (net)	34,94,600	(1,18,62,300)
Proceeds from issue of share capital (including share premium)	2,32,859	8,76,420
Dividend paid during the year	(11,35,479)	(11,16,283)
Net cash (used in)/generated from financing activities (C)	**25,91,980**	**(1,21,02,163)**
Net Increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	**1,95,73,477**	**2,26,35,908**
Cash and Cash equivalents at beginning of the year	3,50,78,485	1,24,42,577
Cash and Cash equivalents at end of the year	**5,46,51,962**	**3,50,78,485**

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Cash Flow Statement
for the year ended March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Notes to cash flow statement:		
Cash and Cash equivalents include the following		
Cash and Balances With Reserve Bank of India	4,95,41,056	3,50,03,541
Balances With Banks And Money At Call And Short Notice	58,21,937	7,85,975
Balances not considered as part of cash and cash equivalents:		
Bank deposits with an original maturity of more than three months or Bank deposits under lien	(7,11,031)	(7,11,031)
Cash and Cash equivalents at end of the year	**5,46,51,962**	**3,50,78,485**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For ASA & Associates LLP,
Chartered Accountants
Firm Registration No.: 009571N/N500006

G N Ramaswami
Partner
Membership No: 202363
Place: Chennai
Date: April 30, 2025

For Equitas Small Finance Bank Limited

Anil Kumar Sharma
Part time Chairman and Independent Director
DIN:08537123
Place: Chennai
Date: April 30, 2025

Vasudevan PN
Managing Director and Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2025

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2025

For Suri & Co,
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694

Place: Mumbai
Date: April 30, 2025

N Sridharan
Chief Financial Officer

Place: Chennai
Date: April 30, 2025

Ramanathan N
Company Secretary
M.No: 28366

Place: Chennai
Date: April 30, 2025

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Schedules to Balance Sheet

as on March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

SCHEDULE 1 - CAPITAL

	As on March 31, 2025	As on March 31, 2024
Authorised capital		
1,70,00,00,000 (Previous year:1,70,00,00,000) Equity Shares of ₹ 10 each	1,70,00,000	1,70,00,000
Issued, subscribed and paid-up capital		
1,13,98,62,421 (Previous year:1,13,48,87,279) Equity Shares of ₹ 10 each	1,13,98,624	1,13,48,873
TOTAL	**1,13,98,624**	**1,13,48,873**

Note: During the year ended March 31, 2025, the Bank has allotted 49,75,142 (Previous year: 2,43,29,125) equity shares pursuant to the exercise of options by its employees in accordance with the ESFB ESOP Scheme.

SCHEDULE 2 - RESERVES AND SURPLUS

		As on March 31, 2025	As on March 31, 2024
I	**Statutory reserve**		
	Opening Balance	79,58,130	59,60,729
	Add: Additions during the year	3,67,625	19,97,401
	Less: Deductions during the year	-	-
	Total - (A)	**83,25,755**	**79,58,130**
II	**Capital reserve**		
	Opening Balance	3,91,444	3,79,969
	Add: Additions during the year	1,23,113	11,475
	Less: Deductions during the year	-	-
	Total - (B)	**5,14,557**	**3,91,444**
III	**Share premium**		
	Opening Balance	2,75,24,044	2,68,88,907
	Add: Received during the year *	1,83,108	6,33,128
	Add: Received (Non-Cash) during the year *	43,108	2,009
	Less: Deductions during the year	-	-
	Total - (C)	**2,77,50,260**	**2,75,24,044**
IV	**Special reserve account u/s 36(1)(viii) of Income Tax Act, 1961**		
	Opening Balance	5,93,256	3,98,608
	Add: Additions during the year	72,385	1,94,648
	Less: Deductions during the year	-	-
	Total - (D)	**6,65,641**	**5,93,256**
V	**Revenue and other reserves**		
	Opening Balance	2,54,400	2,54,400
	Add: Additions during the year	67,443	-
	Less: Deductions during the year	-	-
	Total - (E)	**3,21,843**	**2,54,400**
VI	**Investment reserve**		
	Opening Balance	40,794	23,000
	Add: Additions during the year	-	17,794
	Less: Deductions during the year (Refer note.18.1c.(iv))	40,794	-
	Total - (F)	**-**	**40,794**

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Schedules to Balance Sheet as on March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

		As on March 31, 2025	As on March 31, 2024
VII	**Investment fluctuation reserve**		
	Opening Balance	18,00,000	5,25,000
	Add: Additions during the year	2,00,000	12,75,000
	Less: Deductions during the year	-	-
	Total - (G)	**20,00,000**	**18,00,000**
VIII	**Share based reserve**		
	Opening Balance	4,07,859	56,895
	Add: Additions during the year	2,37,821	3,57,804
	Less: Transferred to Share Premium	43,108	2,009
	Less: Transferred to Balance in Surplus in Profit and Loss account	35,758	4,831
	Total - (H)	**5,66,814**	**4,07,859**
IX	**Available for sale (AFS) reserve**		
	Opening Balance	-	-
	Additions during the year (Refer note.18.1c.(iv))	2,07,003	-
	Deductions during the year	-	-
	Total - (I)	**2,07,003**	**-**
X	**Balance in Surplus in profit and loss account (J)**	**89,74,706**	**93,68,219**
	TOTAL (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)	**4,93,26,579**	**4,83,38,146**

*Securities Premium received on issue of equity shares.

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SCHEDULE 3 - DEPOSITS

			As on March 31, 2025	As on March 31, 2024
A	**I**	**Demand deposits**		
		(i) From banks	1,37,990	6,52,423
		(ii) From others	1,63,42,386	1,14,97,816
	II	**Savings bank deposits**	10,76,21,839	10,33,73,845
	III	**Term deposits (Refer note below)**		
		(i) From banks	7,83,30,100	6,68,65,107
		(ii) From others	22,86,34,894	17,89,02,831
	TOTAL		**43,10,67,209**	**36,12,92,022**
B	I	Deposits of branches in India	43,10,67,209	36,12,92,022
	II	Deposits of branches outside India	-	-
	TOTAL		**43,10,67,209**	**36,12,92,022**

Note: Out of total term deposits, the amount of lien marked term deposits is ₹ 1,258.62 Crore (PY: ₹ 1,288.36 Crore).

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Schedules to Balance Sheet
as on March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 4 - BORROWINGS

		As on March 31, 2025	As on March 31, 2024
I	**Borrowings in India**		
	(i) Reserve Bank of India	-	-
	(ii) Other banks	-	-
	(iii) Other institutions and agencies	2,13,69,900	1,78,75,300
	TOTAL	**2,13,69,900**	**1,78,75,300**
II	Borrowings outside India	-	-
	TOTAL	**-**	**-**
	TOTAL	**2,13,69,900**	**1,78,75,300**
	Secured borrowings included in I and II above	-	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

		As on March 31, 2025	As on March 31, 2024
I	Bills payable	35,50,858	34,97,636
II	Inter-office adjustment (net)	-	-
III	Interest accrued	29,45,570	23,42,400
IV	Others (including provisions)*	86,97,604	83,44,322
	TOTAL	**1,51,94,032**	**1,41,84,358**

*Includes:-

1. Provision for Standard Assets
   a. Provision for standard assets ₹ 105.28 Crore (Previous year ₹ 92.02 Crore)
   b. Provisions for Restructured standard assets ₹ 12.04 Crore (Previous year ₹ 21.18 Crore)
   c. Additional provisions on standard assets on higher rate ₹ 44.45 Crore (Previous year: ₹ 3.75 Crore)
2. Provision for Employee Benefits ₹ 206.58 Crore (Previous year ₹ 161.83 Crore)
3. Sundry Creditors ₹ 57.85 Crore (Previous year ₹ 67.70 Crore)
4. Provision for Expenses ₹ 137.11 Crore (Previous year ₹ 98.94 Crore)

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SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

		As on March 31, 2025	As on March 31, 2024
I	**Cash in hand**	11,78,591	10,36,123
	(Including Foreign Currency Notes: Nil)		
II	**Balance with Reserve Bank of India:**		
	(a) In current accounts	2,56,82,465	2,13,37,418
	(b) In other accounts	2,26,80,000	1,26,30,000
	TOTAL	**4,95,41,056**	**3,50,03,541**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

		As on March 31, 2025	As on March 31, 2024
I	**In India**		
	(i) Balances with banks:		
	(a) In current accounts	1,18,893	74,944
	(b) In other deposit accounts (Refer note below)	7,11,031	7,11,031

Schedules to Balance Sheet
as on March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

			As on March 31, 2025	As on March 31, 2024
	(ii)	Money at call and short notice:		
		(a) With banks	-	-
		(b) With other institutions	49,92,013	-
	TOTAL (i+ii)		**58,21,937**	**7,85,975**
II	**Outside India**			
	(i)	In current accounts	-	-
	(ii)	In deposit accounts	-	-
	(iii)	Money at call and short notice	-	-
	TOTAL (i+ii+iii)		**-**	**-**
	TOTAL		**58,21,937**	**7,85,975**
Note: Comprises deposits under lien with original maturity of more than three months			7,11,031	7,11,031

SCHEDULE 8 - INVESTMENTS

			As on March 31, 2025	As on March 31, 2024
I	**Investments in India (Net of provision)**			
	(i)	Government Securities	8,44,54,288	8,38,24,613
	(ii)	Other Approved Securities	-	-
	(iii)	Shares	4,36,298	2,000
	(iv)	Debentures and Bonds	49,99,942	49,96,725
	(v)	Subsidiaries and/or Joint Ventures	-	-
	(vi)	Others (Commercial Paper, Certificate of Deposits, PTCs, Mutual Funds & Security Receipts)	29,96,323	18,29,385
	TOTAL		**9,28,86,851**	**9,06,52,723**
II	**Investments outside India**			
	(i)	Government securities (including local authorities)	**-**	**-**
	(ii)	Subsidiaries and/or joint ventures abroad	-	-
	(iii)	Other investments	-	-
	TOTAL		**9,28,86,851**	**9,06,52,723**

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SCHEDULE 9 - ADVANCES (Net of provision)

			As on March 31, 2025	As on March 31, 2024
A	(i)	Bills purchased and discounted	12,42,826	4,47,260
	(ii)	Cash credits, overdrafts and loans repayable on demand	2,73,80,777	2,09,96,924
	(iii)	Term loans	33,34,65,278	28,81,98,815
	TOTAL		**36,20,88,881**	**30,96,42,999**
B	(i)	Secured by tangible assets*	31,29,63,652	25,19,14,405
	(ii)	Covered by bank/government guarantees	44,53,869	31,32,713
	(iii)	Unsecured**	4,46,71,360	5,45,95,881
	TOTAL		**36,20,88,881**	**30,96,42,999**
	(* includes advances against Book Debt: ₹ 52,01,073, (previous year ₹ 67,58,303))			
	(** includes ₹ 3,506 of top-up loans against vehicles, which are classified as unsecured (RBI Circular dt 16 Nov 2023 (previous year ₹ 64,534)))			

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Schedules to Balance Sheet
as on March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

			As on March 31, 2025	As on March 31, 2024
C	**I**	**Advances in India**		
	(i)	Priority sector	26,56,30,927	21,14,19,506
	(ii)	Public sector	-	-
	(iii)	Banks	10	24
	(iv)	Others	9,64,57,944	9,82,23,469
	Total Advances in India		**36,20,88,881**	**30,96,42,999**
	II	**Advances outside India**		
	(i)	Due from banks	-	-
	(ii)	Due from others	-	-
		(a) Bills purchased and discounted	-	-
		(b) Syndicated loans	-	-
		(c) Others	-	-
	Total Advances Outside India		-	-
	TOTAL		**36,20,88,881**	**30,96,42,999**

SCHEDULE 10 - FIXED ASSETS

		As on March 31, 2025	As on March 31, 2024
A	**Premises (including land)**		
	Gross Block		
	At cost as on 31st March of the preceding year	29,27,792	14,03,993
	Additions during the year	70,177	15,28,645
	Deductions during the year	(2,246)	(4,846)
	At the end of the year	**29,95,723**	**29,27,792**
	Depreciation		
	As at beginning of the year	10,93,172	9,17,489
	Additions during the year	1,85,440	1,78,114
	Deductions during the year	(2,246)	(2,431)
	Depreciation to date	**12,76,366**	**10,93,172**
	Net block	**17,19,357**	**18,34,620**
B	**Other fixed assets (including furniture and fixtures)**		
	Gross Block		
	At cost as on 31st March of the preceding year	91,60,240	74,63,921
	Additions during the year	14,10,709	18,39,216
	Deductions during the year	(2,49,063)	(1,42,897)
	At the end of the year	**1,03,21,886**	**91,60,240**
	Depreciation		
	As at beginning of the year	56,29,602	45,73,432
	Additions during the year	12,96,053	11,66,042
	Deductions during the year	(1,93,491)	(1,09,872)
	Depreciation to date	**67,32,164**	**56,29,602**
	Net block	**35,89,722**	**35,30,638**
C	**Capital work-in-progress**	**16,47,945**	**6,81,993**
	TOTAL	**69,57,024**	**60,47,251**

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Schedules to Balance Sheet
as on March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 11 - OTHER ASSETS

		As on March 31, 2025	As on March 31, 2024
I	Interest accrued	49,90,549	43,82,229
II	Tax paid in advance/tax deducted at source (Net of provision for tax)	10,45,353	3,31,599
III	Stationery and stamps	15,439	126
IV	Deferred tax asset (net)	23,37,670	19,95,770
V	Others	26,71,584	41,96,486
	TOTAL	**1,10,60,595**	**1,09,06,210**

SCHEDULE 12 - CONTINGENT LIABILITIES

		As on March 31, 2025	As on March 31, 2024
I	**Claims against the bank not acknowledged as debts**		
	(a) Service Tax and Goods and Service Tax	27,690	2,43,492
	(b) Income Tax	4,84,361	84,952
	(c) Others	1,81,822	87,500
II	**Guarantees given on behalf of constituents**		
	(a) In India	2,73,258	1,93,837
	(b) Outside India	-	-
III	**Other items for which the bank is contingently liable**		
	(a) Depositor Education and Awareness Fund (DEAF)	2,312	2,144
	(b) Credit enhancements provided by the Bank towards securitisation advances	14,79,316	14,79,316
	(c) Capital commitments	11,53,296	20,05,660
	(d) Investment purchases pending settlement	43,43,966	-
	TOTAL	**79,46,021**	**40,96,901**

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Schedules to Profit and Loss Account for the year ended March 31, 2025

SCHEDULE 13 - INTEREST EARNED

		Year ended March 31, 2025	Year ended March 31, 2024
I	Interest/discount on advances/bills	5,56,33,195	4,92,09,626
II	Income on investments (including dividend)	64,73,870	53,97,529
III	Interest on balance with RBI and other inter-bank funds	10,10,185	2,56,879
IV	Others	-	-
	TOTAL	**6,31,17,250**	**5,48,64,034**

SCHEDULE 14 - OTHER INCOME

		Year ended March 31, 2025	Year ended March 31, 2024
I	Commission, exchange and brokerage	37,52,175	39,11,144
II	Profit / (loss) on sale of investments (net)	14,46,895	10,43,208
III	Profit / (loss) on revaluation of investments (net)	(31,403)	-
IV	Profit / (loss) on sale of building and other assets (net)	4,555	2,806
V	Miscellaneous income	39,42,669	30,29,548
	TOTAL	**91,14,891**	**79,86,706**

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Schedules to Profit and Loss Account for the year ended March 31, 2025

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 15 - INTEREST EXPENDED

		Year ended March 31, 2025	Year ended March 31, 2024
I	Interest on deposits	2,89,03,965	2,14,59,698
II	Interest on Reserve Bank of India / inter-bank borrowings	3,04,497	6,00,827
III	Others	13,92,662	20,05,903
	TOTAL	**3,06,01,124**	**2,40,66,428**

SCHEDULE 16 - OPERATING EXPENSES

		Year ended March 31, 2025	Year ended March 31, 2024
I	Payments to and provisions for employees	1,62,10,067	1,36,88,300
II	Rent, taxes and lighting	19,04,345	17,76,676
III	Printing and stationery	1,43,326	1,62,535
IV	Advertisement and publicity	5,45,170	4,97,148
V	Depreciation on Bank's property	14,81,493	13,44,156
VI	Directors' fees, allowances and expenses	34,174	34,997
VII	Auditors' fees and expenses	11,358	9,911
VIII	Law charges (including professional fees)	5,55,602	5,05,826
IX	Postage, telegram, telephone etc.	3,27,465	3,27,726
X	Repairs and maintenance	3,75,902	3,54,611
XI	Insurance	3,96,603	3,03,626
XII	Commission and Brokerage	8,03,065	7,92,375
XIII	Information Technology Expenses	16,46,803	14,36,608
XIV	Travel & Conveyance	9,15,255	9,53,010
XV	Bank and other finance charges	2,59,923	3,94,780
XVI	Cash handling charges	2,36,167	2,48,373
XVII	CSR contributions & expenses	4,27,699	3,10,771
XVIII	Other expenditure*	20,13,928	18,69,239
	TOTAL	**2,82,88,345**	**2,50,10,668**

*Includes ₹ 16.05 Crore (Previous year ₹ 0.06 Crore) towards fees paid for purchase of PSL Certificates

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Schedule 17 – Significant accounting policies forming part of the financial statements

Corporate information

1. Background

Equitas Small Finance Bank Limited (CIN: L65191TN1993PLC025280) ("ESFBL" or the "Bank"), is engaged in retail banking business with focus on micro-finance, commercial vehicle finance, home finance, loan against-property, corporate finance 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. The shares of the Bank are listed on National stock exchange (NSE) and BSE Ltd. The Bank is primarily governed by the Banking Regulation Act, 1949 and the Companies Act, 2013.

2. Basis of preparation

The Financial Statements have been prepared and presented under the historical cost convention and on accrual basis of accounting in accordance with provisions of accounting standards as specified under section 133 of the Companies Act 2013, read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to the Bank, and other accounting principles generally accepted in India ("Indian GAAP") as applicable to banking companies and the applicable requirements of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by Reserve Bank of India from time to time. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous financial year, except in respect of Investments for which the accounting policy has been amended in line with the guidelines given in RBI circular RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 dated September 12, 2023.

Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses for the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates. Any revision in the accounting estimates is recognised prospectively.

3. Significant accounting policies

3.1. Investments

Classification:

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into three categories (hereinafter called "categories") as below:

i) Held to Maturity ("HTM")

ii) Available for Sale ("AFS")

iii) Fair Value through Profit and Loss ("FVTPL"),

Held for Trading ("HFT") is a separate investment sub-category within FVTPL.

Under each of these categories, investments are further classified under six groups (hereinafter called "groups") – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries/Joint Ventures and Other Investments. Purchase and sale transactions in securities are recorded under 'Settlement Date' accounting, except in the case of equity shares where 'Trade Date' accounting is followed.

Basis of classification:

Held to Maturity (HTM):

Securities that fulfil the following conditions are classified under HTM:

1) The security is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and

2) The contractual terms of the security give rise to cash flows that are solely payments of principal and interest on the principal outstanding ('SPPI criterion') on specified dates.

3) Notwithstanding the intent with which the following securities are acquired, the following do not meet the SPPI criterion and therefore are not eligible for classification either as HTM or AFS:

- Instruments with compulsorily, optionally or contingently convertible features.

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Schedule 17 – Significant accounting policies forming part of the financial statements

- Instruments with contractual loss absorbency features such as those qualifying for Additional Tier 1 and Tier 2 under Basel III Capital Regulations.
- Instruments whose coupons are not in the nature of interest as defined in RBI Guidelines.
- Preference shares and Equity shares.

4) Investments in Securitization notes, other than the equity tranche, are considered to meet the SPPI criteria if the tranche in which the investment is made meets all the following conditions:

- The contractual terms of the tranche being assessed for classification (without looking through to the underlying pool of financial instruments) give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The underlying pool of financial instruments meets the SPPI criteria.
- The credit risk of the tranche is equal to or lower than the credit risk of the combined underlying pool of assets.

Available for Sale (AFS):

1) Securities that meet the following conditions are classified under AFS:

- The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and
- The contractual terms of the security meet the SPPI criterion.

Provided that on initial recognition, a Bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.

2) AFS securities include debt securities held for asset liability management (ALM) purposes that meet the SPPI criterion where the Bank's intent is flexible with respect to holding till maturity or selling before maturity.

Fair Value through Profit or Loss (FVTPL).

Held for Trading (HFT) is a sub-category in FVTPL.

Securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL.

Initial recognition

All investments are measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value. Situations where the presumption is tested include where:

- The transaction is between related parties
- The transaction is taking place under duress where one party is forced to accept the price in the transaction.
- The transaction is done outside the principal market for that class of securities.
- Other situations, where in the opinion of the supervisor, facts and circumstances warrant testing of the presumption.

In respect of Government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted is the fair value for initial recognition purposes.

Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/ loss are recognised in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments.

Any Day 1 loss arising from Level 3 investments are recognised immediately.

Any Day 1 gains arising from Level 3 investments are deferred. In the case of debt instruments, the Day 1 gain are amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the

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gain are set aside as a liability until the security is listed or derecognised.

Broken period interest paid to the seller as part of cost is treated as an item of expenditure under Profit & Loss Account. The transaction cost, including brokerage, commission etc., paid at the time of acquisition of investments are charged to Profit and loss.

Subsequent Measurement

HTM:

Securities held in HTM are carried at amortised cost and are not marked to market (MTM) after initial recognition.

Any discount or premium on the securities under HTM are amortised over the remaining life of the instrument on a straight-line basis. Such amortisation is adjusted against interest income under the head "Income from investments" as per the RBI guidelines.

AFS:

The securities held in AFS are fair valued at least on a quarterly basis. The valuation gains and losses across all performing investments, held under AFS are aggregated. The net appreciation or depreciation, net of applicable taxes is directly credited or debited to a reserve named AFS-Reserve without routing through the Profit & Loss Account.

The AFS-Reserve is reckoned as Common Equity Tier (CET) 1 subject to below clause.

Bank does not pay dividends out of net unrealised gains recognised in the Profit and Loss Account arising on fair valuation of Level 3 investments on their Balance Sheet. Further, such net unrealised gains on Level 3 investments recognised in the Profit and Loss Account or in the AFS-Reserve is deducted from CET 1 capital.

The unrealised gains transferred to AFS-Reserve is not available for any distribution such as dividend and coupon on Additional Tier 1.

Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. Such amortisation is adjusted against interest income under the head "Income from investments" as per the RBI guidelines.

FVTPL:

The securities held in FVTPL are fair valued and the net gain or loss arising on such valuation is directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL are fair valued on a daily basis, whereas other securities in FVTPL are fair valued atleast on a quarterly basis.

Any discount or premium on the acquisition of debt securities under FVTPL is amortised over the remaining life of the instrument. Such amortisation is adjusted against interest income under the head "Income from investments" as per the RBI guidelines.

Valuation

Fair value of investments are categorised into 3 levels based on the inputs used for valuation of the investments.

Level 1 means, inputs used for valuation of a financial instrument are those inputs which are quoted prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date

Level 2 means inputs used for valuation of a financial instrument are those inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 means inputs used for valuation of a financial instrument are unobservable inputs.

Quoted Investments are valued based on the trades/quotes on the recognised stock exchanges, price list of RBI or prices periodically declared by Financial Benchmark India Pvt. Ltd. [FBIL], based on relevant RBI circular.

The market value of unquoted Government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities included in the AFS and HFT categories are valued as per rates published by FBIL.

For securities whose prices are not published by FBIL, the fair value of the securities are based upon quoted price as available from

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the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA)

The valuation of other unquoted fixed income securities (viz., State Government securities, other approved securities, bonds and debentures) and preference shares, wherever linked to the YTM rates, is done with a mark-up (reflecting associated credit and liquidity risk) over the YTM rates for Government securities published by FBIL.

In case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e., not overdue beyond 90 days), the market price is derived based on the Yield to Maturity (YTM) for Government Securities as published by FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each categories and credit ratings along with residual maturity issued by FBIL is adopted for this purpose.

Unquoted equity shares are valued at the break-up value if the latest balance sheet is available, or at ₹ 1, as per the RBI guidelines.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Treasury, Bills, Commercial Papers (CPs) and Certificate of Deposits (CDs) being discounted instruments, are valued at carrying cost.

In respect of stressed assets sold by the Bank under an asset securitisation, where the investment by the Bank in security receipts (SRs) backed by the assets sold by it is more than 10 percent of such SRs then the valuation shall be lower of the following:

i. Value arrived by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

ii. Face value of the SRs reduced by the notional provisioning rate applicable if the loans had continued on the books of the transferor.

Investments in SRs issued by ARCs are valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments. However, in respect of the stressed loans transferred to ARC, the investments are carried on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of transfer.

Investment in Pass Through Certificates which is done to meet the Minimum Retention Ratio (MRR) are valued at cost.

Non-performing investments are identified and depreciation/provision is made thereon based on the RBI guidelines. Interest on non-performing investments is not recognised in the Profit and Loss Account until received.

The amount outstanding in Repurchase (Repo) including Marginal Standing Facility (MSF) are accounted as borrowings and amount outstanding in Reverse Repurchase (Reverse Repo) are accounted as Lending. The accrued income and expenditure till the balance sheet date is recognised in Profit and Loss account

Transfer between categories:

Post approval of the Board of Directors and Department of Supervision (DoS)- RBI, the Bank may shift investments to/from HTM/AFS/ FVTPL as a special case. The reclassification is applied prospectively from reclassification date.

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The accounting treatment for reclassifications between categories is specified in the below table.

Sl. No.	From	To	Accounting Treatment
A	HTM	AFS	The fair value measured at the reclassification date is the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value is recognised in AFS-Reserve.
B		FVTPL	The fair value measured at the reclassification date is the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments is recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
C	AFS	HTM	The investments are reclassified at its fair value at the reclassification date. However, the cumulative gain/loss previously recognised in the AFS-Reserve is withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value is the same as if the Bank had classified the investment in HTM ab initio.
D		FVTPL	The investments is to be measured at fair value. The cumulative gain or loss previously recognised in AFS-Reserve is withdrawn therefrom and recognised in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
E	FVTPL	HTM	The carrying amount representing the fair value at the reclassification date remains unchanged.
F		AFS	

Disposal of investments:

Profit/Loss on sale of investments under AFS and FVTPL categories are recognised in the Profit and Loss Account.

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve is transferred from the AFS-Reserve and recognized in the Profit and Loss Account under item 'Profit on sale of investments'.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is not be transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss is being transferred from AFS-Reserve to the Capital Reserve.

Any sales from HTM are done as per Board approved policy. In any financial year, the carrying value of investments sold out of HTM will not exceed five per cent of the opening carrying value of the HTM portfolio. Any sale beyond this threshold will be made with the prior approval from DoS, RBI.

Sale of securities in the situations given below are excluded from the regulatory limit of five per cent:

i. Sale to the RBI under liquidity management operations of RBI such as the Open Market Operations (OMO) and Government Securities Acquisition Programme (GSAP).

ii. Repurchase of Government Securities by Government of India from Banks under buyback or switch operations.

iii. Repurchase of State Development Loans by respective state governments under buyback or switch operations.

iv. Repurchase, buyback or exercise of call option of non-SLR securities by the issuer.

v. Sale of non-SLR securities following a downgrade in credit ratings or default by the counterparty.

vi. Sale of securities as part of a resolution plan under the Prudential Framework for Resolution of Stressed Assets for a borrower facing financial distress.

vii. Additional sale of securities explicitly permitted by the Reserve Bank of India.

Any profit or loss on the sale of investments in HTM is recognised in the Profit and Loss Account under 'Other Income'. The profit on sale of an investments in HTM is appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserve.

In accordance with extant RBI circular, an amount not less than the net profit on sale of investments during the year or net profit for the year less mandatory appropriations is created as Investment Fluctuation Reserve (IFR) until the Bank achieve a reserve balance of 2% of the FVTPL - HFT and AFS portfolio.

3.2. Advances

Classification:

Advances are classified as Performing Assets (Standard) and Non-performing Assets (NPAs) in accordance with the RBI guidelines on Income Recognition and Asset Classification (IRAC). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI.

The Advances are stated net of specific provisions made towards NPAs, unrealised interest on NPAs, bills rediscounted, amounts received in advance from customers, if any etc. Interest on NPAs is transferred to an interest suspense account and not recognised in the Profit and Loss Account until received.

The Bank transfers advances through inter-bank participation with and without risk, which are accounted for in accordance with the RBI guidelines, as follows. In the case of participation with risk, the aggregate amount of participation transferred out of the Bank is reduced from advances; and participations transferred in to the Bank are classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings; and where the Bank is participating in, the aggregate amount of participation is shown as due from Banks under advances.

Provisioning:

In accordance with RBI guidelines, the Bank has provided general provision on standard assets at levels stipulated by RBI from time to time. In addition, the Bank has a policy for making provisions for standard assets at rates higher than the regulatory minimum, based on evaluation of risk and stress in various sectors.

Provision for Unhedged Foreign Currency Exposure (UFCE) of borrower entities is made in accordance with the guidelines issued by RBI, which requires the Bank to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position of those entities. The Provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

Provision for non-performing advances comprising Sub-standard, Doubtful and Loss Assets is made at a minimum in accordance with the RBI guidelines. In addition, specific loan loss provisions in respect of non-performing assets are made based on management's assessment and estimates of the degree of impairment of advances, based on past experience, evaluation of security and other related factors; the nature of product and delinquency levels. Loan loss provisions in respect of non-performing advances are charged to the Profit and Loss Account and included under Provisions and Contingencies. Advances are disclosed, net of provisions in the Balance Sheet.

Provisions made in excess of the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorised as Floating Provision. Creation of Floating Provision is considered by the Bank up to a level approved by the Board of Directors. In accordance with the RBI guidelines, Floating Provisions are utilised up to a level approved by the Board with prior permission of RBI, only for contingencies under extraordinary circumstances for making specific provisions for impaired accounts.

The Bank considers restructured account, if any, as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advance/securities, which would generally include, amongst others, alteration of repayment period/ repayable amount/the amount of instalments/rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and

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implementation of the restructuring package. In respect of loans and advances accounts subjected to restructuring, the accounts are classified as NPA and the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is later, falls due, subject to satisfactory performance of the account during the period, in accordance with the extant RBI guidelines in this regard.

Non-performing advances are written-off in accordance with the Bank's policies. Recoveries from bad debts written-off are recognised in the Profit and Loss Account and included under 'Other Income'.

Recording and Presentation

Provisions created against individual accounts as per RBI guidelines are not netted in the individual account. For presentation in the financial statements, provision created is netted against gross amount of advance. Provision held against an individual account is adjusted against account balance at individual level only at the time of write-off/settlement of the account.

Provision made against standard assets in accordance with RBI guidelines as above is disclosed separately under Other Liabilities and not netted off against Advances.

Financial Assets sold to Reconstruction Company

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e., book value less provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received. Further, such reversal shall be limited to the extent to which cash received exceeds the net book value of the loan at the time of transfer as per RBI guidelines.

3.3. Securitisation transactions and direct assignments and transfer of assets

The Bank transfers its loan receivables both through Direct Assignment route as well as transfers to Special Purpose Vehicles (SPV).

The securitization transactions are without recourse to the Bank. The transferred loans and such securitized receivables are de-recognized as and when these are sold (true sale criteria being fully met) and the consideration has been received by the Bank.

Any profit, loss or premium realised at the time of the sale are accounted for in the accounting period during which the sale is completed in line with RBI Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021.

The unrealised gains, associated with expected future margin income is recognised in profit and loss account on receipt of cash, after absorbing losses, if any.

As per the RBI guidelines issued on September 24, 2021, any loss or realised gain from sale of loan assets through direct assignment is accounted through profit and loss account on completion of transaction.

3.4. Fixed Assets (Property, Plant and Equipment (PPE) and depreciation)

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities, if any.

Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of the plant and equipment are required to be replaced at intervals, the Bank depreciates them separately based on its specific useful lives. Assets under development as at balance sheet date are shown as Capital Work in Progress. Advance paid towards such development are shown as capital advance.

Depreciation on PPE has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed

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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 Bank	Estimated useful life specified under Schedule II of the Companies Act 2013
Office Equipment	3 Years	5 Years
Furniture and Fixtures	3 Years	10 years
Vehicles	4 Years	8 Years
Automated Teller Machines (ATMs)	7 Years	15 Years
Modems, Routers, switches, servers, network and related IT equipment	5 Years	6 Years
Electrical Fittings	5 Years	10 Years

- Leasehold improvements are depreciated over the primary lease period or over the remaining useful life of the asset, whichever is lower.
- 'Point of Sale' terminals are fully depreciated in the year of purchase.

The useful life of an asset class is periodically assessed taking into account various criteria such as changes in technology, changes in business environment, utility and efficacy of an asset class to meet with intended user needs etc. Whenever there is a revision in the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the Balance Sheet date and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Profit and Loss Account when the asset is derecognized.

PPE held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the Profit and Loss Account.

3.5. Intangible Assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Bank uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Software with perpetual license and system development expenditure, if any, is amortised over an estimated economic useful life of 5 years or license period, whichever is lower. Intangible assets under development as at balance sheet date are shown as Capital Work in Progress.

The amortization period and the amortization method are reviewed at least at the Balance Sheet date. If the expected useful life of the asset significantly differs from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Profit and Loss Account when the asset is derecognized.

3.6. Impairment of Assets

The carrying values of assets/cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Profit and Loss Account.

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The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account.

3.7. Transactions involving foreign exchange

Initial recognition

Transactions in foreign currencies entered into by the Bank are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items, if any, of the Bank, outstanding at the balance sheet date are restated at the rates prevailing at the year-end as notified by Foreign Exchange Dealers Association of India ('FEDAI'). Non-monetary items of the Bank are carried at historical cost.

Contingent liabilities on account of foreign exchange contracts, currency future contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

Treatment of Exchange differences

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Bank are recognised as income or expense in the Profit and Loss Account.

3.8. Revenue Recognition

Interest Income on loans, advances and investments (including deposits with Banks and other institutions) are recognised on accrual basis. Income on Non-performing Assets is recognized upon realisation as per RBI norms.

Fee and Commission income are recognised as income when due, except in cases where the Bank is uncertain of its ultimate collection.

Bank Guarantee commission and commission on letter of credit, and locker rent are recognised on a straight- line basis over the period of contract. Interest Income on deposits/investments is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Income on discounted instruments is recognised over the tenor of the instruments on a straight line basis.

Dividend income, if any, is accounted for, when the right to receive the same is established.

Amounts recovered against debts written off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognized in the Profit and Loss Account.

3.9. Employee Benefits

Employee benefits include provident fund, National Pension Scheme, gratuity and compensated absences.

Defined contribution plan:

Provident Fund (PF)

The Bank's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made when the services are rendered by the employees.

National Pension Scheme (NPS)

In respect of employees who opt for contribution to the NPS, the Bank contributes certain percentage of the basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. The Bank has no liability other than its contribution, and recognises such contributions as an expense in the year incurred.

Defined Benefits Plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested while otherwise, it is amortised

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on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long term Employee benefits

The Bank accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains/losses are recognised in the Profit and Loss Account in the year in which they arise.

Other Employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive.

Employee Stock Compensation Cost

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 Guidelines issued by the Reserve Bank of India on Compensation of Whole Time Directors / Chief Executive Officers/Material Risk Takers and Control Function Staff (WTD/CEO/MRTs).

The Bank follows intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending March 31, 2021.

For all options granted after March 31, 2021, the Bank follows the fair value method and recognizes the fair value of such options computed using the Black-Scholes model, as compensation expense over the vesting period, as per RBI Guidelines dated August 30, 2021. The compensation cost is amortised on a straight-line basis over the vesting period of the option with a corresponding credit to Share Based Reserve. On exercise of the stock options, corresponding balance in the Share Based Reserve is transferred to Share Premium. In respect of the options which expire unexercised, the balance standing to the credit of Share Based Reserve is transferred to the Balance in Surplus in profit and loss account. Also refer Note 18.21

3.10. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the lease term.

3.11. Accounting of Priority Sector Lending Certificate (PSLC)

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as Other Income and the fee paid for purchase of the PSLCs is recorded as other Expenditure in Profit and Loss Account. These are amortised over the period of the Certificate.

3.12. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable Income tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to

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the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realizability.

At each reporting date, the Bank re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

3.13. Earnings per Share

Basic earnings per share is computed by dividing the profit after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

3.14. Proposed Dividend

Dividend proposed/ declared after the balance sheet date is accounted in the books of the Bank in the year in which the dividend is approved by the shareholders. Proposed dividend or dividend declared after the balance sheet date are disclosed in the notes to accounts. However, the Bank reckons proposed dividend in determining the capital fund in computing the capital adequacy ratio.

3.15. Segment reporting

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and guidelines issued by RBI.

In accordance with guidelines issued by RBI, the Bank has adopted segment reporting as under:

Treasury includes all investment portfolios, Profit/ Loss on sale of investments, Profit/Loss on foreign exchange transaction, equities, income from derivatives and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation/amortisation of premium on HTM category investments.

Corporate/Wholesale Banking includes all advances to trusts, partnership firms, companies and statutory bodies, which are not included under 'Retail Banking'.

Retail Banking includes lending to and deposits, from retail customers and identified earnings and expenses of the segment.

Other Banking Operations includes all other operations not covered under Treasury, Corporate/ Wholesale Banking and Retail Banking.

Unallocated includes Capital and reserves and other un-allocable assets, liabilities, income and expenditure.

Geographic segment

The Bank operations are predominantly confined within one geographical segment (India) and accordingly, this is considered as the only secondary segment.

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3.16. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Bank has a present obligation as a result of past event, 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Bank or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Bank does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

3.17. Cash and Cash Equivalents

Cash and cash equivalents comprises of Cash in Hand and Balances with RBI and Balances with Banks and Money at Call and Short Notice. The same item are considered as cash and cash equivalents in preparation of Cash Flow Statement.

3.18. Short sale transactions

In respect of the short sale transactions in Central Government dated securities, the short position is covered by outright purchase of an equivalent amount of the same security within a maximum period of three months including the day of trade. The short position is reflected as the amount received on sale in a separate account and is classified under 'Other Liabilities'. The short position is marked to market and loss, if any, is charged to the Profit and Loss account, while gain, if any, is not recognised. Profit or loss on settlement of the short position is recognised in the Profit and Loss account.

3.19. Reward Points

The Bank runs a loyalty program, which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing an independent actuary. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

3.20. Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

3.21. Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, is recognised in the Profit and Loss Account.

Value Research

SCHEDULE 18 - Notes forming part of the financial statements

for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

1 Regulatory Capital

a) Composition of Regulatory Capital

The Capital Adequacy Ratio ["CRAR"] of the Bank, calculated as per the Standardised approach for Credit Risk under Basel II regulation is set out below. Market Risk and Operational Risk are not considered for computation of Risk Weighted Assets in the current year as per Guidelines applicable for Small Finance Banks.

S. No	Particulars	As on March 31, 2025	As on March 31, 2024
i)	Common Equity Tier 1 capital	5,273.89	5,128.39
ii)	Additional Tier 1 Capital	-	-
iii)	Tier 1 Capital (i + ii)	5,273.89	5,128.39
iv)	Tier 2 Capital	814.95	244.32
v)	Total Capital (Tier 1 + Tier 2)	6,088.84	5,372.71
vi)	Total Risk Weighted Assets (RWAs)	29,558.14	24,761.88
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	17.84%	20.71%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	17.84%	20.71%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.76%	0.99%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.60%	21.70%
xi)	Leverage Ratio#	10.06%	11.41%
xii)	Percentage of the shareholding of		
	a) Government of India	NA	NA
	b) State Government of India	NA	NA
	c) Sponsor Bank	NA	NA
xiii)	Amount of paid-up equity capital raised during the year *	4.98	24.33
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which:		
	a) Perpetual Non Cumulative Preference Shares (PNCPS)	-	-
	b) Perpetual Debt Instruments (PDI)	-	-
xv)	Amount of Tier 2 capital raised during the year, of which:		
	a) Basel II compliant Subordinated, Redeemable Lower Tier II Bonds	500.00	-
	b) Perpetual Non Cumulative Preference Shares (PNCPS)	-	-
	c) Perpetual Debt Instruments (PDI)	-	-

#Leverage Ratio computed as per Basel III framework

*During the year ended March 31, 2025, the Bank has allotted 49,75,142 (Previous year: 2,43,29,125) equity shares pursuant to the exercise of options by its employees in accordance with the ESFB ESOP Scheme.

1b) Draw down from Reserves:

The Bank has not drawn down any amount from its opening reserves during the year ended March 31, 2025 and March 31, 2024.

1c) Appropriations to reserve:

(i) Statutory reserve

As mandated by the Banking Regulation Act, 1949, all banking companies incorporated in India shall create a reserve fund, out of the balance of profit of each year as disclosed in the profit and loss account and before any dividend is declared and transfer a sum equivalent to not less than twenty five per cent of such profit. The Bank has transferred ₹ 36.76 Crore (Previous year ₹199.74 Crore) to Statutory Reserve for the year.

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

(ii) Capital Reserve

During the year, the Bank had appropriated ₹ 12.31 Crore (Previous Year ₹ 1.15 Crore), net of taxes and transfer to statutory reserve, to the Capital Reserve, being the gain on sale of HTM Investments in accordance with RBI guidelines.

(iii) Special reserve

As per the provisions under Section 36(1)(viii) of Income Tax Act, 1961, the specified entity is allowed the deduction in respect of any special reserve created and maintained by it, i.e. an amount not exceeding twenty per cent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause). This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital (excluding the amounts capitalized from reserves) of the entity. During the year, the Bank has transferred an amount of ₹ 7.24 Crore (Previous year ₹ 19.46 Crore) to Special Reserve. There is no drawdown from this reserve during FY 2024-25 and FY 2023-24.

(iv) Investment Reserve and Revenue Reserve

The Bank has implemented the revised RBI norms for the classification, valuation and operation of investment portfolio, which became applicable from April 01, 2024. In accordance with the revised RBI norms and the Bank's Board approved policy, the Bank has classified its investment portfolio as on April 01, 2024 under the categories of held to maturity (HTM), available for sale (AFS) and fair value through profit and loss (FVTPL) with held for trading (HFT) as a sub- category of FVTPL, and from that date, measures and values the investment portfolio under the revised framework.

Consequently, the Bank has accounted net transition valuation gain of ₹ 2.66 Crore (net of tax) in Revenue Reserve, resulting into net positive impact on networth of the Bank on transition. The Bank has also transferred balance in Investment Reserve amounting to ₹ 4.08 Crore on the date of the transition to Revenue Reserve in compliance with these directions.

During the Previous year FY 2023-24, in accordance with Reserve Bank of India guidelines, reversal of excess depreciation on Investments to the profit and loss account, net off taxes and transfer to Statutory reserve is transferred to investment reserve. The total amount required to be transferred to the investment reserve in FY 2023-24 is ₹ 1.78 Crore.

(v) Investment Fluctuation Reserve

During the FY 2024-25, the bank has apportioned ₹ 20.00 Crore (Previous year: ₹ 127.50 Crore) to Investment Fluctuation Reserve, based on the value of investments in FVTPL (including HFT) and AFS category, to protect against future increase in yield, in accordance with RBI guidelines.

(vi) Declaration of Dividends

The Board of Directors at their meeting held on April 30, 2025 has not recommended any dividend for the Financial Year 2024-25.

During the year, the Bank paid a dividend of ₹ 1.00 per equity share amounting to ₹ 113.67 Crore pertaining to the year ended March 31, 2024, which has been considered as an appropriation from the Profit and Loss Account during the year.

2 Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities

i) As on March 31, 2025

Particulars	Day 1	2-7 days	8-14 days	15 to 30 days	31 days to 2 Months	Over 2 Months and upto 3 Months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	757.81	863.95	582.36	608.66	1,340.79	1,974.06	4,277.84	11,325.41	9,663.95	7,958.78	3,753.11	43,106.72
Advances	14.15	208.55	283.36	356.85	1,152.26	777.47	2,204.57	4,419.59	14,186.07	4,753.41	7,852.61	36,208.89
Investments	1,631.92	21.81	-	431.74	529.81	407.76	852.84	1,706.62	1,659.95	1,354.54	691.70	9,288.69
Borrowings	-	-	4.89	100.00	38.22	4.89	269.12	298.63	838.96	77.56	504.72	2,136.99
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

ii) As on March 31, 2024

Particulars	Day 1	2-7 days	8-14 days	15 to 30 days	31 days to 2 Months	Over 2 Months and upto 3 Months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	594.77	1,404.09	401.39	330.02	1,023.40	1,185.71	2,399.92	8,769.96	10,183.35	7,500.91	2,335.68	36,129.20
Advances	14.26	207.92	245.41	340.05	861.72	547.11	1,731.90	4,436.99	12,083.05	3,949.84	6,546.05	30,964.30
Investments	2,727.93	0.10	-	425.95	264.36	177.84	459.19	1,323.41	2,032.43	1,279.09	374.97	9,065.27
Borrowings	-	-	7.83	120.00	131.16	107.83	317.94	437.10	521.35	88.96	55.36	1,787.53
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-

In computing the above information, certain assumptions have been made by management of the Bank which have been relied upon by the auditors and the same are used for submitting the regulatory returns.

b) (i) Liquidity Coverage Ratio (LCR)

Quantitative information on Liquidity coverage ratio (LCR) is given below:

Particulars		Quarter ended June 30, 2024		Quarter ended September 30, 2024		Quarter ended December 31, 2024		Quarter ended March 31, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		9,032.53		9,010.67		9,329.98		10,287.54
Cash Outflows									
2	**Retail deposits and deposits from small business customers, of which:**								
(i)	Stable deposits	3,635.56	181.78	3,670.82	183.54	4,591.58	229.58	5,120.75	256.04
(ii)	Less stable deposits	19,103.80	1,910.38	20,121.29	2,012.13	20,122.98	2,012.30	20,057.25	2,005.73
3	**Unsecured wholesale funding, of which:**								
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	4,252.43	3,253.26	4,459.52	3,601.68	4,865.59	4,061.22	5,109.48	4,257.51
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	**Secured wholesale funding**		-		-		-		-
5	**Additional requirements, of which**								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	181.35	9.20	194.71	9.86	218.37	11.00	209.60	10.55
6	**Other contractual funding obligations**	545.44	545.44	835.00	835.00	485.11	485.11	548.20	548.20
7	**Other contingent funding obligations**	259.19	12.55	471.63	23.13	660.61	109.77	871.82	120.78
8	**TOTAL CASH OUTFLOWS**		**5,912.61**		**6,665.34**		**6,908.98**		**7,198.81**

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars		Quarter ended June 30, 2024		Quarter ended September 30, 2024		Quarter ended December 31, 2024		Quarter ended March 31, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
Cash Inflows									
9	Secured lending (e.g. reverse repos)	355.13	-	232.91	-	143.03	-	29.46	-
10	Inflows from fully performing exposures	848.74	499.43	1,065.54	691.58	946.17	567.09	871.62	492.83
11	Other cash inflows	237.53	118.77	240.21	120.11	239.77	119.88	266.63	133.32
12	**TOTAL CASH INFLOWS**	**1,441.40**	**618.20**	**1,538.66**	**811.69**	**1,328.97**	**686.97**	**1,167.71**	**626.15**
13	**TOTAL HQLA**		**9,032.53**		**9,010.67**		**9,329.98**		**10,287.54**
14	**TOTAL NET CASH OUTFLOWS**		**5,294.41**		**5,853.65**		**6,222.01**		**6,572.66**
15	**LIQUIDITY COVERAGE RATIO (%)**		**170.61**		**153.93**		**149.95**		**156.52**

Qualitative disclosure around LCR

The Liquidity Coverage Ratio (LCR) is a global minimum standard for Bank liquidity. 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 time horizon under stress scenario.

The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivatives-related exposures, after netting for cash inflows from assets maturing within 30 days.

Liquidity management of the Bank is undertaken by the Treasury department under the supervision of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies and ALCO approved funding plans.

The mandated regulatory threshold with appropriate cushion to ensure maintenance of adequate liquidity buffers is as per the Board approved ALM policy of the Bank. Risk Management Department computes the LCR and monitors the same as per the operating guidelines for small finance banks. The Bank has been submitting LCR reports to RBI since December 2016.

Currently, the Liquidity Coverage Ratio is significantly higher than minimum regulatory threshold. As a part of its liquidity management strategy, the Bank invests in Level I assets thus ensuring comfortable level of HQLA at all times to address any kind of liquidity stress. The Bank follows the criteria laid down by the RBI for the calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-days period. HQLA predominantly comprises of Government securities viz. Treasury Bills, Central and State Government securities.

The Bank is primarily funded through long term borrowings viz. Refinances & Customer Deposits. The Risk Management Department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits on a static as well as on a dynamic basis supplemented by monitoring of key liquidity parameters. The Bank assesses the impact on short term liquidity covering business projections under normal as well as varying market conditions. The LCR reports along with projections are placed before the Bank's ALCO for periodic review and guidance of the committee.

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

b) (ii) Liquidity Coverage Ratio (LCR)

Quantitative information on Liquidity coverage ratio (LCR) is given below:

Particulars		Quarter ended June 30, 2023		Quarter ended September 30, 2023		Quarter ended December 31, 2023		Quarter ended March 31, 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		6,193.60		6,653.38		6,943.57		8,611.87
Cash Outflows									
2	**Retail deposits and deposits from small business customers, of which:**								
(i)	Stable deposits	3,230.07	161.50	3,310.26	165.51	3,364.97	168.25	3,492.37	174.62
(ii)	Less stable deposits	14,497.60	1,449.76	16,000.31	1,600.03	17,036.88	1,703.69	18,022.96	1,802.30
3	**Unsecured wholesale funding, of which:**								
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	2,478.78	1,716.54	2,874.37	2,014.47	3,490.59	2,608.72	4,043.81	3,281.76
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	**Secured wholesale funding**		-		-		-		-
5	**Additional requirements, of which**								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	161.42	8.30	182.09	9.68	182.24	9.38	183.20	9.37
6	**Other contractual funding obligations**	603.31	603.31	824.49	824.49	635.02	635.02	922.32	922.32
7	**Other contingent funding obligations**	219.43	10.55	293.48	14.35	250.85	12.16	256.58	12.44
8	**TOTAL CASH OUTFLOWS**		**3,949.96**		**4,628.53**		**5,137.22**		**6,202.81**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	123.87	-	192.80	-	123.89	-	243.10	-
10	Inflows from fully performing exposures	740.00	433.25	1,034.66	710.06	1,048.45	719.39	777.97	436.80
11	Other cash inflows	242.76	121.38	218.45	109.23	233.71	116.86	257.20	128.60
12	**TOTAL CASH INFLOWS**	**1,106.63**	**554.63**	**1,445.91**	**819.29**	**1,406.05**	**836.25**	**1,278.27**	**565.40**
13	**TOTAL HQLA**		**6,193.60**		**6,653.38**		**6,943.57**		**8,611.87**
14	**TOTAL NET CASH OUTFLOWS**		**3,395.33**		**3,809.24**		**4,300.97**		**5,637.41**
15	**LIQUIDITY COVERAGE RATIO (%)**		**182.42**		**174.66**		**161.44**		**152.76**

Value Research

Qualitative disclosure around LCR

The Liquidity Coverage Ratio (LCR) is a global minimum standard for Bank liquidity. 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 time horizon under stress scenario.

The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivatives-related exposures, after netting for cash inflows from assets maturing within 30 days.

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Liquidity management of the Bank is undertaken by the Treasury department under the supervision of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies and ALCO approved funding plans.

The mandated regulatory threshold with appropriate cushion to ensure maintenance of adequate liquidity buffers is as per the Board approved ALM policy of the Bank. Risk Management Department computes the LCR and monitors the same as per the operating guidelines for small finance banks. The Bank has been submitting LCR reports to RBI since December 2016.

Currently, the Liquidity Coverage Ratio is significantly higher than minimum regulatory threshold. As a part of its liquidity management strategy, the Bank invests in Level I assets thus ensuring comfortable level of HQLA at all times to address any kind of liquidity stress. The Bank follows the criteria laid down by the RBI for the calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-days period. HQLA predominantly comprises of Government securities viz. Treasury Bills, Central and State Government securities.

The Bank is primarily funded through long term borrowings viz. Refinances & Customer Deposits. The Risk Management Department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits on a static as well as on a dynamic basis supplemented by monitoring of key liquidity parameters. The Bank assesses the impact on short term liquidity covering business projections under normal as well as varying market conditions. The LCR reports along with projections are placed before the Bank's ALCO for periodic review and guidance of the committee.

c) (i) Net Stable Funding Ratio (NSFR) as on March 31, 2025:

	Available Stable Funding (ASF) Item	Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 Year	
1	**Capital: (2+3)**	**6,652.67**	**-**	**-**	**-**	**6,652.67**
2	Regulatory capital	6,652.67	-	-	-	6,652.67
3	Other capital Instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers: (5+6)**	**9,295.89**	**6,230.63**	**10,268.42**	**65.38**	**23,542.32**
5	Stable deposits	1,691.91	1,543.59	1,994.27	-	4,968.28
6	Less stable deposits	7,603.98	4,687.04	8,274.15	65.38	18,574.04
7	**Wholesale funding: (8+9)**	**884.87**	**856.17**	**8,543.95**	**1,221.71**	**6,364.21**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	884.87	856.17	8,543.95	1,221.71	6,364.21
10	**Other Liabilities (11+12)**	**9,234.08**	**434.40**	**-**	**-**	**-**
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	9,234.08	434.40	-	-	-
13	**Total ASF (1+4+7+10)**					**36,559.20**
Required Stable Funding (RSF) Item						
14	Total NSFR high-quality liquid assets (HQLA)					456.88
15	Deposits held at other financial institutions for operational purposes	11.89	16.37	24.11	30.63	41.50
16	**Performing loans and securities: (17+18+19+20+21+22+23)**	**-**	**4,912.25**	**4,186.66**	**24,967.22**	**25,086.23**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	720.45	142.98	199.09	378.65

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

	Required Stable Funding (RSF) Item	Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 Year	
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	4,191.80	3,824.00	-	4,007.90
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	22,068.41	18,758.14
21	Performing residential mortgages, of which:	-	-	-	2,699.72	1,754.82
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	219.68	-	186.72
24	**Other assets: (sum of rows 25 to 29)**	**4,353.15**	**499.04**	**0.35**	**7.48**	**4,596.23**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	95.48	-	-	-	81.16
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	4,257.67	499.04	0.35	7.48	4,515.07
30	Off-balance sheet items	-	439.80	3.80	8.85	22.08
31	**Total RSF (14+15+16+24+30)**	**4,365.04**	**5,867.46**	**4,214.92**	**25,014.18**	**30,202.92**
32	**Net Stable Funding Ratio (%)**					**121.05%**

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Qualitative disclosure around Net Stable Funding Ratio (NSFR):

The objective of NSFR is to ensure that the Bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of the Bank's liquidity position due to disruptions in the Bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits the Bank's overreliance on short-term wholesale funding, thus encouraging better assessment of funding risk across all on- and off-balance sheet items while promoting funding stability.

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a Bank is a function of the liquidity characteristics and residual maturities of its on-and off balance sheet exposures.

Liquidity management of the Bank is undertaken by the Treasury department under the supervision of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies and ALCO approved funding plans. The mandated regulatory threshold with appropriate cushion to ensure maintenance of adequate liquidity buffers is as per the Board approved ALM policy of the Bank. Risk Management Department computes the NSFR and monitors the same as per the operating guidelines for small finance banks. The Bank has been submitting NSFR reports to RBI since December 2021. Currently, the Net Stable Funding Ratio is at a comfortable level well above the prescribed regulatory limit of 100%. The NSFR reports are placed before the Bank's ALCO for periodic review and guidance of the committee.

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

c) (ii) Net Stable Funding Ratio (NSFR) as on March 31, 2024:

Available Stable Funding (ASF) Item		Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 Year	
1	**Capital: (2+3)**	**5,372.71**	**-**	**-**	**-**	**5,372.71**
2	Regulatory capital	5,372.71	-	-	-	5,372.71
3	Other capital Instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers: (5+6)**	**9,360.91**	**1,648.01**	**11,736.49**	**7.05**	**20,666.72**
5	Stable deposits	3,776.11	-	-	-	3,587.30
6	Less stable deposits	5,584.80	1,648.01	11,736.49	7.05	17,079.42
7	**Wholesale funding: (8+9)**	**2,183.76**	**1,036.86**	**7,056.49**	**1,021.42**	**6,159.98**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	2,183.76	1,036.86	7,056.49	1,021.42	6,159.98
10	**Other Liabilities (11+12)**	**6,368.40**	**-**	**-**	**-**	**-**
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	6,368.40	-	-	-	-
13	**Total ASF (1+4+7+10)**					**32,199.41**
Required Stable Funding (RSF) Item						
14	Total NSFR high-quality liquid assets (HQLA)					475.21
15	Deposits held at other financial institutions for operational purposes	78.60	-	-	-	39.30
16	**Performing loans and securities: (17+18+19+20+21+22+23)**	**-**	**4,730.17**	**4,537.86**	**20,875.12**	**21,927.33**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	358.87	170.62	-	139.14
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	4,371.30	3,867.56	-	4,119.43
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	18,376.02	15,619.62
21	Performing residential mortgages, of which:	-	-	-	2,499.10	1,624.41
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	499.67	-	424.72
24	**Other assets: (sum of rows 25 to 29)**	**4,352.43**	**0.73**	**0.78**	**13.73**	**4,356.51**

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

	Available Stable Funding (ASF) Item	Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 Year	
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	74.29	-	-	-	63.15
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	4,278.13	0.73	0.78	13.73	4,293.36
30	Off-balance sheet items	428.05	-	-	-	21.01
31	**Total RSF (14+15+16+24+30)**	**4,859.07**	**4,730.89**	**4,538.64**	**20,888.85**	**26,819.36**
32	**Net Stable Funding Ratio (%)**					**120.06%**

Qualitative disclosure around Net Stable Funding Ratio (NSFR):

The objective of NSFR is to ensure that the Bank maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of the Bank's liquidity position due to disruptions in the Bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits the Bank's overreliance on short-term wholesale funding, thus encouraging better assessment of funding risk across all on- and off-balance sheet items while promoting funding stability.

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a Bank is a function of the liquidity characteristics and residual maturities of its on-and off balance sheet exposures.

Liquidity management of the Bank is undertaken by the Treasury department under the supervision of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies and ALCO approved funding plans. The mandated regulatory threshold with appropriate cushion to ensure maintenance of adequate liquidity buffers is as per the Board approved ALM policy of the Bank. Risk Management Department computes the NSFR and monitors the same as per the operating guidelines for small finance banks. The Bank has been submitting NSFR reports to RBI since December 2021. Currently, the Net Stable Funding Ratio is at a comfortable level well above the prescribed regulatory limit of 100%. The NSFR reports are placed before the Bank's ALCO for periodic review and guidance of the committee.

In accordance with the RBI guidelines, Banks are required to make consolidated pillar III and Net Stable Funding Ratio (NSFR) disclosures under the Basel III Framework. These disclosures are available on the Bank's website at the following link: https://ir.equitasbank.com/reports-and-presentations/. These disclosures are not subjected to audit by the Statutory auditors of the Bank.

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

3. Investments:

a) Disclosure of carrying value of investments and fair value

Particulars	As on March 31, 2025						
	HTM		AFS	FVTPL		Subsidiaries, Associates & JVs	
	At cost	Fair Value		HFT	Non-HFT	At cost	Fair Value
I. Investments in India							
(i) Government securities	6,720.36	6,779.37	1,725.07	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-
(iii) Shares	-	-	0.85	42.78	-	-	-
(iv) Debentures and Bonds	499.99	499.19	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
(vi) Others	-	-	296.77	-	100.61	-	-
Total	**7,220.35**	**7,278.56**	**2,022.69**	**42.78**	**100.61**	**-**	**-**
Less: Provisions for impairment/NPI	-	-	-	-	97.74	-	-
Net	**7,220.35**	**7,278.56**	**2,022.69**	**42.78**	**2.87**	**-**	**-**
II. Investments outside India							
(i) Government securities (including local authorities)	-	-	-	-	-	-	-
(ii) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Provisions for impairment/NPI	-	-	-	-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**7,220.35**	**7,278.56**	**2,022.69**	**42.78**	**2.87**	**-**	**-**

b) Fair Value Hierarchy of investment portfolio measured at fair value on balance sheet

Particulars	As on March 31, 2025							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India								
(i) Government securities	1,725.07	-	-	1,725.07	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-	-
(iii) Shares	-	-	0.85	0.85	42.78	-	-	42.78
(iv) Debentures and Bonds	-	-	-	-	-	-	-	-
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
(vi) Others	219.94	-	76.83	296.77	-	-	2.87	2.87
Total	**1,945.01**	**-**	**77.68**	**2,022.69**	**42.78**	**-**	**2.87**	**45.65**

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	As on March 31, 2025							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
II. Investments outside India								
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-
(ii) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**1,945.01**	**-**	**77.68**	**2,022.69**	**42.78**	**-**	**2.87**	**45.65**

c) Net gains/ (losses) on Level 3 financial instruments recognised in AFS-Reserve and Profit and Loss Account*

Particulars	As on March 31, 2025
Recognised in AFS-Reserve	0.65
Recognised in Profit and Loss Account	-

**Excludes Level 3 assets where the valuation of the asset is the price declared by FBIL/ FIMMDA for that asset.*

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d) Details of sales made out of HTM

Particulars	As on March 31, 2025
Opening carrying value of securities in HTM (A) (after transition adjustments)	6,668.56
Carrying value of all HTM securities sold during the year (B)	1,038.61
Less: Carrying values of securities sold under situations exempted from regulatory limit (C)	717.26
Carrying value of securities sold (D=B-C)	321.35
Securities sold as a percentage of opening carrying value of securities in HTM (E=D/A)	**4.82%**
Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	**12.31**

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

e) Composition of Investment Portfolio as on March 31, 2024

Particulars	Investments In India						Investments Outside India			
	Government securities	Other approved securities	Shares	Debentures and bonds	Subsidiaries and/ or Joint Ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or Joint Ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	7,253.78	-	-	-	-	-	7,253.78	-	-	-	-	7,253.78
Less: Provision for depreciation and Non Performing Investment (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	7,253.78	-	-	-	-	-	7,253.78	-	-	-	-	7,253.78
Available for Sale												
Gross	575.01	-	0.20	499.93	-	274.63	1,349.77	-	-	-	-	1,349.77
Less: Provision for depreciation and Non Performing Investment (NPI)	-	-	-	0.26	-	91.69	91.95	-	-	-	-	91.95
Net	575.01	-	0.20	499.67	-	182.94	1,257.82	-	-	-	-	1,257.82
Held for Trading												
Gross	553.68	-	-	-	-	-	553.68	-	-	-	-	553.68
Less: Provision for depreciation and Non Performing Investment (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	553.68	-	-	-	-	-	553.68	-	-	-	-	553.68
Total Investments												
Gross	8,382.47	-	0.20	499.93	-	274.63	9,157.22	-	-	-	-	9,157.22
Less: Provision for depreciation and Non Performing Investment (NPI)	-	-	-	0.26	-	91.69	91.95	-	-	-	-	91.95
Net	**8,382.47**	**-**	**0.20**	**499.67**	**-**	**182.94**	**9,065.28**	**-**	**-**	**-**	**-**	**9,065.28**

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

f) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

S. No	Particulars	As on March 31, 2025	As on March 31, 2024
(i)	Movement of provisions held towards depreciation on investment		
	a) Opening balance	**91.95**	**43.50**
	b) Add: Provisions made during the year*	8.54	51.62
	c) Less: Write off/write back of excess provisions during the year	-	3.17
	d) Less: Appreciations**	27.27	-
	e) Closing balance	**73.22**	**91.95**
(ii)	Movement of Investment Fluctuation Reserve		
	(a) Opening balance	180.00	52.50
	(b) Add: Amount transferred during the year	20.00	127.50
	(c) Less: Drawdown	**-**	**-**
	(d) Closing balance	**200.00**	**180.00**
(iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL - HFT/Current category	9.67%	9.94%

*includes Non Performing Investment (NPI) provision for investment in Security receipts.

**Not applicable for previous year

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g) Sale and transfer of securities to/from HTM category

During the current year, through Conversion/Switch of security auctions conducted by RBI, Bank had sold SLR securities from HTM category with book value ₹ 100.60 Crore and subscribed government securities as per the RBI press release. The Bank had sold HTM securities having book value of ₹ 616.66 Crore through open market operations(OMO) conducted by RBI. The Bank had also made outright sale transaction from HTM category of book value ₹ 321.36 Crore. As on March 31, 2025, market value of the investments held in the HTM category is ₹ 7,278.56 Crore and market value over book value is ₹ 58.21 Crore.

During the previous year, through Conversion/Switch of security auctions conducted by RBI, Bank had sold SLR securities from HTM category with book value of ₹ 47.30 Crore and had subscribed government securities as per the RBI press release. The Bank had also made outright sale transaction from HTM category having book value of ₹ 253.13 Crore. As on March 31, 2024, market value of the investments held in the HTM category is ₹ 7,185.19 Crore and book value over market value is ₹ 68.59 Crore.

h) Non - SLR investment portfolio

(i) Non-performing non-SLR investments

S. No	Particulars	As on March 31, 2025	As on March 31, 2024
a)	Opening balance	100.61	40.33
b)	Additions during the year since 1st April	-	60.28
c)	Reductions during the year	-	-
d)	Closing balance	100.61	100.61
e)	Total provisions held	97.74	91.69

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

(ii) Issuer composition of Non-SLR investments as on March 31, 2025:

S. No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities**	Extent of 'Unrated' Securities**	Extent of 'Unlisted' Securities**
1	2	3	4	5	6	7
1	PSUs	2.80	-	-	-	-
2	FIs	-	-	-	-	-
3	Banks	154.31	146.13	-	-	-
4	Private Corporates	608.95	274.00	-	-	-
5	Subsidiaries/Joint Ventures	-	-	-	-	-
6	Others	177.43	177.43	-	-	-
7	Provision held towards depreciation/NPI	(100.23)	(97.09)	-	-	-
	Total	**843.26**	**500.47**	**-**	**-**	**-**

Note: Amounts reported under columns 4, 5, 6 and 7 are not mutually exclusive.

**Excludes Investment in Security Receipts, Pass Through Certificates, Certificate of Deposits, Commercial Paper and Equity.

(ii) Issuer composition of Non-SLR investments as on March 31, 2024:

S. No	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities **	Extent of 'Unrated' Securities **	Extent of 'Unlisted' Securities **
1	2	3	4	5	6	7
1	PSUs	-	-	-	-	-
2	FIs	-	-	-	-	-
3	Banks	97.19	97.19	-	-	-
4	Private Corporates	500.13	200.13	-	-	-
5	Subsidiaries/Joint Ventures	-	-	-	-	-
6	Others	177.44	177.44	-	-	-
7	Provision held towards depreciation/NPI	(91.95)	(91.69)	-	-	-
	Total	**682.81**	**383.07**	**-**	**-**	**-**

Note: Amounts reported under columns 4, 5, 6 and 7 are not mutually exclusive.

**Excludes Investment in Security Receipts, Pass Through Certificates, Certificate of Deposits and Equity.

i) Details of Repo/Reverse Repo including under Liquidity Adjustment Facility (LAF) transactions:

As on March 31, 2025

S. No	Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on March 31, 2025	
		FV*	MV*	FV	MV	FV	MV	FV	MV
(i)	**Securities sold under repo**								
	a. Government securities	-	-	2,360.98	2,383.62	405.37	408.50	-	-
	b. Corporate debt securities	-	-	-	-	-		-	-
	c. Any other securities	-	-	-	-	-		-	-

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

S. No	Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on March 31, 2025	
		FV*	MV*	FV	MV	FV	MV	FV	MV
(ii)	**Securities purchased under reverse repo**								
	a. Government securities	-	-	2,805.47	2,750.00	792.76	777.29	523.57	500.00
	b. Corporate debt securities	-	-	-	-	-	-	-	-
	c. Any other securities	-	-	-	-	-	-	-	-

*FV - Face Value; MV- Market Value

As on March 31, 2024

S. No	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2024
(i)	**Securities sold under repo**				
	a. Government securities	-	2,420.00	837.20	-
	b. Corporate debt securities	-	-	-	-
	c. Any other securities	-	-	-	-
(ii)	**Securities purchased under reverse repo**				
	a. Government securities	-	1,650.00	112.18	-
	b. Corporate debt securities	-	-	-	-
	c. Any other securities	-	-	-	-

Note: Repo and Reverse Repo Transactions (including LAF) are disclosed above in Face Value terms.

j) Government Security Lending (GSL) transactions (in market value terms): Nil

4 Asset quality

a) Classification of advances and provisions held as on March 31, 2025

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	30,603.40	515.97	293.17	12.14	821.28	31,424.68
Add: Additions during the year					2,031.62	
Less: Reductions during the year*					1,785.17	
Closing balance	35,854.69	767.74	277.24	22.75	1,067.73	36,922.42
*Reductions in Gross NPAs due to:						
i) Upgradation					585.57	
ii) Recoveries (excluding recoveries from upgraded accounts)					373.25	
iii) Technical/ Prudential write-offs					670.88	
iv) Write-offs other than those under (iii) above					155.47	

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	116.96	216.71	231.53	12.14	460.38	577.34
Add: Fresh provisions made during the year					1,010.45	
Less: Excess provision reversed/ write-off loans					937.30	
Closing balance of provisions held	161.78	338.81	172.05	22.67	533.53	695.31
Net NPAs						
Opening balance		299.26	61.64	-	360.90	
Add: Fresh additions during the year					841.17	
Less: Reductions during the year					847.87	
Closing balance		248.93	105.19	0.08	354.20	
Floating Provisions *						
Opening balance						-
Add: Additional provisions made during the year						180.00
Less: Amount drawn down during the year						-
Closing balance of floating provisions						180.00
Technical write-offs and the recoveries made thereon						
Opening balance of technical/ prudential written-off accounts						256.42
Add: Technical/ Prudential write-offs during the year						670.88
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						25.69
Closing balance						901.61

*During the year ended March 31, 2025, the Bank made a floating provision of ₹ 180.00 crore in line with the Board approved policy and RBI guidelines.

Classification of advances and provisions held as on March 31, 2024

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	25,486.54	320.94	393.67	9.35	723.96	26,210.50
Add: Additions during the year					1,138.88	
Less: Reductions during the year*					1,041.56	
Closing balance	30,603.40	515.97	293.17	12.14	821.28	31,424.68
*Reductions in Gross NPAs due to:						

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
i) Upgradation					441.31	
ii) Recoveries (excluding recoveries from upgraded accounts)					368.23	
iii) Technical/ Prudential write-offs					62.02	
iv) Write-offs other than those under (iii) above					170.00	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	136.86	120.21	282.39	9.35	411.95	548.81
Add: Fresh provisions made during the year					453.74	
Less: Excess provision reversed/ write-off loans					405.31	
Closing balance of provisions held	116.96	216.71	231.53	12.14	460.38	577.34
Net NPAs						
Opening balance		200.73	111.28	-	312.01	
Add: Fresh additions during the year					685.14	
Less: Reductions during the year					636.25	
Closing balance		299.26	61.64	-	360.90	
Floating Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-
Technical write-offs and the recoveries made thereon						
Opening balance of technical/ prudential written-off accounts						204.81
Add: Technical/ Prudential write-offs during the year						62.02
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						10.41
Closing balance						256.42

NPA Ratio:

Ratios	As on March 31, 2025	As on March 31, 2024
Gross NPA to Gross Advances	2.89%	2.61%
Net NPA to Net Advances	0.98%	1.17%
Provision coverage ratio (PCR)	66.83%	56.06%
Provision coverage ratio (including Technical write offs)	82.01%	66.51%

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

b) Sector-wise Advances and Gross NPAs

S. No	Sector	As on March 31, 2025			As on March 31, 2024		
		Outstanding Advances	Gross NPAs	% of Gross NPAs to Total advances	Outstanding Advances	Gross NPAs	% of Gross NPAs to Total advances
(i)	**Priority Sector**						
a)	Agriculture and allied activities	5,767.74	208.54	3.62%	4,486.98	190.47	4.24%
b)	Advances to industries sector eligible as priority sector lending	3,239.79	72.34	2.23%	2,742.78	31.34	1.14%
c)	Services	14,744.99	326.59	2.21%	11,107.31	179.39	1.62%
	- Retail Trade	8,392.40	166.83	1.99%	6,025.12	59.93	0.99%
	- Vehicle/Auto Loans	5,980.01	141.70	2.37%	4,735.41	113.74	2.40%
d)	Personal loans*	1,597.38	33.80	2.12%	1,322.12	22.43	1.70%
	- Home Loan	1,597.38	33.80	2.12%	1,322.12	22.43	1.70%
e)	Others	1,572.86	73.06	4.65%	1,782.73	92.16	5.17%
	Sub-total (i)	**26,922.76**	**714.33**	**2.65%**	**21,441.92**	**515.79**	**2.41%**
(ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	-	-	0.00%	-	-	0.00%
b)	Industry	524.89	4.78	0.91%	680.61	4.78	0.70%
	- NBFC	524.89	4.78	0.91%	680.61	4.78	0.70%
c)	Services	259.99	92.26	35.49%	158.55	60.89	38.40%
	- Retail Trade	259.30	91.81	35.41%	75.84	0.80	1.06%
d)	Personal loans**	6,892.22	175.04	2.54%	6,634.31	171.32	2.58%
	- Home Loan	1,607.04	24.76	1.54%	1,312.29	14.84	1.13%
e)	Others	2,322.56	81.32	3.50%	2,509.29	68.50	2.73%
	Sub-total (ii)	**9,999.66**	**353.40**	**3.53%**	**9,982.76**	**305.49**	**3.06%**
	Total (i) + (ii)	**36,922.42**	**1,067.73**	**2.89%**	**31,424.68**	**821.28**	**2.61%**

*Personal loans includes Housing Loans

**Personal loans includes Housing Loans, Loan Against Property and Loan Against Gold

The Bank has compiled and furnished the data for the purpose of this disclosure from its internal MIS system/reports.

c) Overseas assets, NPAs and revenue

The Bank does not have any overseas branches and hence the disclosure regarding overseas assets, NPAs and revenue is not applicable (Previous Year: Nil).

d) Particulars of resolution plan and restructuring

The Bank has not done any restructuring of advances under "Prudential Framework for Resolution of Stressed Assets" issued vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019.

e) Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended 31st March 2025 and 31st March 2024, based on the conditions mentioned in RBI circular No. DOR. ACC.REC.No.74/21.04.018/2022-23 dated 11th October 2022.

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

f) Disclosure of transfer of loan exposures

(i) In respect of loans not in default that are transferred or acquired

a. Details of loans not in default transferred through assignment during the year ended March 31, 2025 are given below:

Particulars	As on March 31, 2025	As on March 31, 2024
Aggregate amount of loans transferred (₹ in Crore)	-	715.76
Weighted average residual maturity (in years)	-	14.95
Weighted average holding period by originator (in years)	-	1.42
Retention of beneficial economic interest by the originator	-	10%
Tangible security coverage	-	100%

The loans transferred are not rated as these are to non-corporate borrowers.

b. The Bank has not acquired loans not in default during the current and previous year.

(ii) In the case of stressed loans transferred or acquired

a. Details of stressed loans (classified as NPA) transferred during the year March 31, 2025

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

Details of stressed loans (classified as NPA) transferred during the year March 31, 2024

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	7,845	-	-
Aggregate principal outstanding of loans transferred	161.86	-	-
Weighted average residual tenor of the loans transferred (in years)	4.19	-	-
Net book value of loans transferred (at the time of transfer)	34.87	-	-
Aggregate consideration	118.19	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

b. During the year, the Bank has not acquired Stressed loans (Previous year: Nil)

(iii) During the year, the Bank has not reversed any excess provision to profit and loss account on account of sale of non performing advances to ARC (Previous year: ₹ 23.04 Crore).

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

(iv) Details of recovery ratings assigned to Security Receipts as on March 31, 2025

Recovery rating	Anticipated Recovery as per Recovery Rating	Book value	Provision
R1 +/RR1 +	> 150%	-	-
R1 /RR1	100% - 150%	60.28	57.41
R2/RR2	75% - 100%	-	-
R3/RR3	50% - 75%	-	-
RR4/R4	25% - 50%	-	-
RR5/R5	0% - 25%	40.33	40.33
Yet to be rated	-	-	-
Unrated	-	-	-

Details of recovery ratings assigned to Security Receipts as on March 31, 2024

Recovery rating	Anticipated Recovery as per Recovery Rating	Book value	Provision
R1+/RR1 +	> 150%	-	-
R1/RR1	100% - 150%	60.28	51.36
R2/RR2	75% - 100%	-	-
R3/RR3	50% - 75%	-	-
RR4/R4	25% - 50%	-	-
RR5/R5	0% - 25%	40.33	40.33
Yet to be rated	-	-	-
Unrated	-	-	-

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g) Fraud accounts

Particulars	As on March 31, 2025	As on March 31, 2024
Number of frauds reported	1,891	2,040
Amount involved in fraud	20.54	11.81
Amount of provision made for such frauds*	6.81	4.48
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

* Net of Recovery

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

h) (i) Details of Loans Restructured under Resolution Framework for COVID-19-related Stress

Details of resolution plan implemented under the Resolution Framework for covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as on March 31, 2025 are given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of previous half - year i.e. September 30, 2024 (A)[$]	Of (A) aggregate debt that slipped into NPA during the half - year March 31, 2025	(Of (A) amount written off during the half -year) March 31, 2025[#]	Of (A) amount paid by the borrower during the half-year March 31, 2025[##]	Exposure to accounts classified as Standard consequent of implementation of resolution plan - Position as at end of this half-year i.e. March 31, 2025
Personal Loans	6.15	0.04	-	0.45	5.66
Corporate persons*	2.64	-	-	1.36	1.28
Of which MSMEs	1.46	-	-	0.51	0.95
Others	163.72	9.80	0.50	34.06	119.86
Total	**172.51**	**9.84**	**0.50**	**35.87**	**126.80**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

[#]represents debt that slipped into NPA and was subsequently written off during the half year.

[##]includes change in the balances on account of interest.

[$]Excludes other facilities to the borrowers which have not been restructured

There were 225 borrower accounts having an aggregate exposure of ₹ 5.51 Crore to the Bank, where resolution plans had been Implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and were modified under RBI's Resolution Framework 2.0 dated May 5, 2021.

(ii) Details of Loans Restructured under Resolution Framework for COVID-19-related Stress

Details of resolution plan implemented under the Resolution Framework for covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as on March 31, 2024 are given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of previous half - year i.e. September 30, 2023 (A)[$]	Of (A) aggregate debt that slipped into NPA during the half - year March 31, 2024	(Of (A) amount written off during the half -year) March 31, 2024[#]	Of (A) amount paid by the borrower during the half-year March 31, 2024[##]	Exposure to accounts classified as Standard consequent of implementation of resolution plan - Position as at end of this half-year i.e. March 31, 2024
Personal Loans	8.55	1.31	0.00	0.34	6.90
Corporate persons*	4.38	-	-	0.66	3.72
Of which MSMEs	1.88	-	-	0.00	1.88
Others	332.78	29.88	1.15	72.30	230.60
Total	**345.71**	**31.19**	**1.15**	**73.30**	**241.22**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

[#]represents debt that slipped into NPA and was subsequently written off during the half year.

[##]includes change in the balances on account of interest.

[$]Excludes other facilities to the borrowers which have not been restructured

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

There were 650 borrower accounts having an aggregate exposure of ₹ 17.17 Crore to the Bank, where resolution plans had been Implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and were modified under RBI's Resolution Framework 2.0 dated May 5, 2021

i The Bank continues to monitor and assess the impact of COVID-19 Pandemic on its operations and financials, including the possibility of higher defaults by customers. The Bank has considered the information available upto the date of these results and have made adequate provisions in this regard to the extent required.

5 Exposures

a) Exposures to Real Estate Sector

S. No	Particulars	As on March 31, 2025	As on March 31, 2024
(i)	**Direct Exposures**		
	(a) Residential Mortgages - Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented^	19,348.91	15,784.11
	- of which housing loans eligible for inclusion in priority sector advances are rendered#	1,671.88	1,401.11
	(b) Commercial Real Estate**		
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multi purpose commercial premises, multi family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non fund based (NFB) limit	152.60	127.03
	(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
(ii)	**Indirect Exposures$**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	92.69	159.86
	Total exposure to Real Estate Sector	**19,594.20**	**16,071.00**

Exposure represents the higher of the sanctioned or outstanding to Real estate sector.

^Includes exposure to Home Loans as well as Loan Against Property (incl Residential mortgages), other than those classified under CRE-RH; inclusive of IBPC exposure as on March 31, 2025: "Nil" (Previous year: ₹ 500 crore)

**Commercial Real estate exposure classification is based on RBI circular DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009 and includes. a) Exposure to Real Estate Builders/ Developers and b) Exposures where the primary source of cash flow, i.e. more than 50% of cash flows, for repayment/recovery is from lease or rental payments and such assets are taken as security.

$Indirect exposure includes a) Non-SLR investment in HFCs & b) Loan to HFCs

#Priority sector loans excludes Securitized assets, if any, and IBPC and PSLCs

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

b) Exposures to Capital Market

S. No.	Particulars	As on March 31, 2025	As on March 31, 2024
i	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	43.63	0.20
ii	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.01	0.01
iii	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
v	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii	Bridge loans to companies against expected equity flows/issues;	-	-
viii	Underwriting commitments taken up by the Banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix	Financing to stockbrokers for margin trading;	-	-
x	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to Capital market	**43.64**	**0.21**

c) Risk category-wise country exposure

The Bank does not have any country risk exposure other than "home country" exposures and accordingly, no provision is maintained with regard to country risk exposure. (Previous year: Nil).

d) Unsecured advances

Particulars	As on March 31, 2025	As on March 31, 2024
Total unsecured advances of the Bank	4,467.14	5,459.59
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	NA	NA

e) Factoring exposures

The factoring exposure of the Bank as on March 31, 2025 is ₹ 124.28 Crore (Previous year: ₹ 44.73 Crore)

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

f) Intra- Group exposure

S. No.	Particulars	As on March 31, 2025	As on March 31, 2024
(i)	Total amount of intra-group exposures	-	-
(ii)	Total amount of top 20 intra-group exposures	-	-
(iii)	Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	-	-
(iv)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-

g) Unhedged foreign currency exposure

In accordance with RBI guidelines, as on March 31, 2025 the Bank holds standard asset provisions of ₹ 0.013 Crore (previous year: ₹ 0.029 Crore) in respect of the unhedged foreign currency exposure of its customers.

6 Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits *

Particulars	As on March 31, 2025	As on March 31, 2024
Total deposits of twenty largest depositors	7,105.81	5,639.87
Percentage of deposits of twenty largest depositors to total deposits of the Bank	17.60%	16.35%

*excludes Certificate of Deposits issued

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b) Concentration of Advances*

Particulars	As on March 31, 2025	As on March 31, 2024
Total advances of twenty largest borrowers	602.66	666.39
Percentage of advances of twenty largest borrowers to total advances of the Bank	1.62%	2.03%

*Advance is based on Credit Exposure (Fund and Non Fund based Exposure) as prescribed in RBI's Master Circular on Exposure Norms. Advances includes IBPC advances. Advances against Banks own term deposit is not considered for above Advance computation.

c) Concentration of Exposures *

Particulars	As on March 31, 2025	As on March 31, 2024
Total exposure of twenty largest borrowers/customers	1,126.31	1,152.19
Percentage of exposures of twenty largest borrowers/customers to total exposures of the Bank on borrowers/customers	2.97%	3.46%

*Exposure is based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms. Exposures includes IBPC advances. Advances against Banks own term deposit is not considered for above exposure computation.

d) Concentration of NPA

Particulars	As on March 31, 2025	As on March 31, 2024
Total exposure to the top twenty NPA accounts	86.18	54.23
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	8.07%	6.60%

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

7 Derivatives

The Bank have not entered into any transactions in derivatives in the current and previous years

8 Disclosures relating to securitisation

The information on securitisation activity of the Bank as an originator as per RBI guidelines "Revisions to the Guidelines on Securitisation Transactions" is given below.

Particulars	As on March 31, 2025	As on March 31, 2024
1. No of SPEs holding assets for securitisation transactions originated by the originator	5	5
2. Total amount of securitised assets as per books of the SPEs	618.04	1,171.99
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss (Fixed Deposits)	71.10	71.10
Others (Investments in junior PTC's)	76.83	76.83
4. Amount of exposure to Securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own Securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party Securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own Securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party Securitisations		
First loss	-	-
Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	1,258.12

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars		As on March 31, 2025		As on March 31, 2024	
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.					
Services Provided	**Form of facility**	**No of Transaction**	**Value of Facility**	**No of Transaction**	**Value of Facility**
Liquidity Support	Fixed Deposits	5	71.10	5	71.10
Services Provided	**Form of facility**	**No of Transaction**	**Value of Facility**	**No of Transaction**	**Value of Facility**
Post Securitisation Assets Servicing	Servicing Agent	5	618.04	5	1,171.99
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc.					
Credit Enhancement in form of Fixed Deposits					
(a) Amount paid (Initial CC)			71.10		71.10
(b) Repayment received (Reset CC)			-		-
(c) Outstanding amount (Outstanding CC)			71.10		71.10
8. Average default rate of portfolios observed in the past					
a. Vehicle Finance Loans*			3.31%		3.58%
9. Amount and number of additional/top up loan given on same underlying asset.					
a. Vehicle Finance Loans			-		-
10. Investor complaints					
(a) Directly/Indirectly received and;			-		-
(b) Complaints outstanding			-		-

*GNPA (%)

9 Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	**Overseas**
Nil	Nil

10 Transfers to Depositor Education and Awareness Fund (DEA Fund)

S. No.	Particulars	As on March 31, 2025	As on March 31, 2024
(i)	Opening balance of amounts transferred to DEA Fund	0.214	0.209
(ii)	Add: Amounts transferred to DEA Fund during the year	0.017	0.005
(iii)	Less: Amounts reimbursed by DEA Fund towards claims	-	-
(iv)	**Closing balance of amounts transferred to DEA Fund**	**0.231**	**0.214**

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

11 Disclosure of Complaints

a) Summary information on complaints received by the Bank from customers and from the Offices of Ombudsman (OBO)

Complaints received by the Bank from its customers

[Nos.]

S. No	Particulars	As on March 31, 2025	As on March 31, 2024
1	Number of complaints pending at beginning of the year*	82	68
2	Number of complaints received during the year	23,755	3,590
3	Number of complaints disposed during the year	22,840	3,576
3.1	Of which, number of complaints rejected by the Bank	6,251	1,548
4	Number of complaints pending at the end of the year	997	82
Maintainable complaints received by the Bank from Offices of Ombudsman			
5	Number of maintainable complaints received by the Bank from Office of Ombudsman	294	294
5.1	Of 5, number of complaints resolved in favour of the Bank by Office of Ombudsman	161	175
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	133	119
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Bank	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

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Note:

*i. Opening balance for FY2024-25 - 91 (82 customer complaints & 9 OBO complaints)

ii. 576 cases closed in T+1 day (572 customer complaints & 4 OBO complaints)

iii. Table above excludes complaints resolved within T+1 day

iv. 4 OBO complaints received in FY23-24 and closed in FY2024-25 (of the 294 maintainable complaints)

v. Total complaints pending as of 1st Apr'25 - 1,030 (33 OBO complaints & 997 customer complaints)

vi. Total complaints for FY2024-25 (complaints received from Customer and OBO (including non maintainable complaints)) - 25,990

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

b) Top five grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year *	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2024-2025					
Account opening/difficulty in operation of accounts	6	3511	660% increase	86	
Internet/Mobile/Electronic Banking	11	6600	1428% increase	469	32
Levy of charges without prior notice/excessive charges/ foreclosure charges	8	291	66% increase	5	
Loans and advances	12	1,183	117% increase	98	
ATM/Debit Cards	1	5,318	8209% increase	167	
Others	44	6,852	258% increase	172	18
Total	**82**	**23,755**		**997**	**50**
2023-2024					
Account opening/difficulty in operation of accounts	27	462	58% decrease	6	
Internet/Mobile/Electronic Banking	4	432	6% increase	11	
Levy of charges without prior notice/excessive charges/ foreclosure charges	0	175	97% increase	8	
Loans and advances	16	544	29% decrease	12	
ATM/Debit Cards	3	64	64% decrease	1	
Others	18	1913	295% increase	44	
Total	**68**	**3,590**		**82**	**-**

Table above excludes complaints resolved within T+1 day

12 Disclosure of penalties imposed by the Reserve Bank of India

During the year ended March 31, 2025, RBI has imposed penalty of ₹ 65 lakhs on the Bank for non-compliance as under:

a) The Bank levied foreclosure charges in 479 floating rate term loans sanctioned to individual borrowers for purposes other than business in non-compliance with RBI Directions on prohibiting levy of Foreclosure Charges/Pre-payment Penalty on Floating Rate Term Loans to individuals for non-business purposes and

b) The Bank obtained collateral security for 2,027 agricultural loans upto ₹ 1.6 lakhs in non-compliance with RBI Circular on 'Credit Flow to Agriculture – Collateral free agricultural loans' prohibiting Banks from obtaining collateral for agricultural loans upto ₹1.6 lakhs.

(Previous year: Nil)

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

13 Disclosure on remuneration

a) Qualitative disclosures

(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is chaired by an Independent Director and comprises of four (4) other Independent Directors. The functions of the committee include: recommendation of appointment of Directors to the Board, evaluation of performance of the Directors, approval of the policy for remuneration payable to Directors, employees, including senior management and key management personnel, framing guidelines for the Employee Stock Option Scheme (ESOP Scheme) and deciding on the grant of stock options to the employees and Whole Time Director/s of the Bank.

(b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

Remuneration Policy of the Bank covers remuneration payable for directors and employees of the Bank and all aspects of the compensation structure such as fixed pay, perquisites, bonus, guaranteed pay, severance package, stock, pension plan and gratuity.

The Bank believes in a sound compensation practice that ensures effective governance of compensation, alignment of compensation with prudent risk taking and effective supervisory oversight and stakeholder engagement. This policy is framed in accordance with the guidelines laid down by Reserve Bank of India (RBI) vide their Circular Reference no DOR. Appt. BC. No. 23/ 29.67.001/ 2019-20 dated November 4, 2019

The remuneration payable to Managing Director ("MD")/Chief Executive Officer ("CEO") and Executive Director ("ED") shall be based on the scope and responsibility that goes with such positions, shall be comparable to the compensation of similar profiles in similar organizations and would be performance linked. From time to time, the NRC may fix a maximum ceiling on the fixed/variable component of compensation, subject to the approval of Reserve Bank of India and shareholders.

The Non-Executive Directors ("NED") including Independent Directors of the Bank shall be paid remuneration as a percentage of the net profits of the Bank for the financial year as may be fixed by the Board from time to time, calculated as per the provisions of the Companies Act, 2013 and subject to the limits fixed by the Reserve Bank of India, from time to time.

Further, within the above ceiling, the remuneration payable to the Chairman of the Board shall be two times the amount payable to other Non-Executive Directors and Independent Directors and further subject to approval of RBI and the remuneration payable to the Chairman of the Audit Committee shall be 1.5 times the amount payable to other Non-Executive Directors and Independent Directors.

NEDs are to be paid sitting fee for each meeting of the Board/ Committees of the Board attended by them, as may be approved by the Board pursuant to provisions of Section 197 of the Companies Act, 2013 read with Section 35B (1) of the Banking Regulation Act 1949. NEDs including Independent Directors shall be reimbursed any out of pocket expenses incurred by them while performing duties for the Bank.

For the other categories of staff, the compensation is structured taking into account all relevant factors such as the level of the position, roles and responsibilities and the prevailing compensation structure in the industry for the similar role.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes.

The Board of Directors through the Nomination and Remuneration Committee ("NRC") is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Key Managerial Persons ("KMP") and Senior Executives of the Bank from time to time. The NRC considers different aspects like risk-return alignment, cost to income ratio and the like in framing the remuneration policy and practice.

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Performance parameters specified for the MD/ CEO also includes risk and control considerations such as Asset quality, implementation of guidelines on Compliance Risk Assessment, reviewing and enhancing controls of the operating risk processes of the Bank, enhancing the efficacy of the process & Quality Assurance Department.

The variable remuneration payable to MD/CEO & other Material Risk Takers are subject to malus and clawback clauses to address issues such as losses in subsequent years due to acts in a given performance year, gross negligence, serious lapses in credit underwriting process, serious violations in AML/KYC, frauds and misconducts.

Further, the KRA's for Senior Executives of the Bank are clearly defined with adequate weightage given to Risk, Compliance, Credit & Asset Quality to ensure risks are assessed and mitigated. KRA's of Executives working in control functions like Risk & Compliance are defined independently and no weightage is given for achievement of business parameters/ targets to ensure independent evaluation.

(d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration

The Bank follows Annual Performance Review (12 months period) to link performance. Remuneration is fixed based on the grade and merit rating for all the employees. Individual performances are assessed in line with business or deliveries of the Key Result Areas (KRA), top priorities of business, budgets, risk alignment etc. The Performance Appraisal system assigns a rating based on the achievement or otherwise of the KRAs. The change in remuneration is largely dependent on the rating assigned.

(e) A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.

The Bank has ensured the remuneration for Material Risk Takers in line with the RBI circular dated November 4, 2019. Accordingly, the variable pay of identified MRTs is determined between 100% to 300% of fixed pay. This variable pay is further divided into cash and ESOPs. Both the cash and ESOPs of the said MRTs is to be deferred over a period of three year in line with the risk taken and as per relevant RBI approval received from time to time. Each such MRT has performance measures aligned to risk measures and the vesting of variable pay is also pro-rated till the end of the deferral period.

(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.

Employees of the Bank are eligible for variable pay in terms of both cash and ESOPs. At field level the variable pay is linked to defined performance targets. Other roles may be given variable pay based on their performance ratings. The variable pay amount varies depending on both the role of the individual as well as his/her performance levels. For Senior Executives of the Bank due consideration is also given to the overall performance of the Bank & respective Division/ Function apart from individual performance ratings.

Employees above defined grade are eligible for Employee Stock Options issued by the Bank as determined by the Nomination and Remuneration Committee of the Bank. These options are granted annually based on performance ratings and role of the individual. Junior employees in cases of consistent exemplary performance are also granted options being part of High Achievers Club.

In very select instances, employees are offered options over a four year period, with a quarter of the options vesting every year. The vesting of the options are dependent on continuity and performance of the said individual.

A variable component may also be made available for specific employees as agreed and included as a part of their respective compensation structure. Variable pay for MRTs have been explained in (e) earlier.

As on the reporting date, the Bank does not have any form of variable remuneration other than as stated above. Thus, the various types of Variable Pay is aligned over both Short and Long term periods.

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

b) Quantitative disclosures

S. No	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	8	10
	Remuneration paid to its members (Sitting Fees).	0.15	0.20
h)	(i) Number of employees having received a variable remuneration award during the financial year*	5	5
	(ii) Number and total amount of sign-on/joining bonus made during the financial year.	-	-
	(iii) Details of severance pay, in addition to accrued benefits, if any.	-	-
i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms.	Cash: ₹ 2,24,97,148 No. of ESOPs: 37,22,313 Value of ESOPs: ₹ 10,12,83,775	Cash: ₹ 1,84,92,212 No. of ESOPs: 44,43,015 Value of ESOPs: ₹ 11,12,17,915
	(ii) Total amount of deferred remuneration paid out in the financial year.[$]	Cash: ₹ 1,12,31,905 ESOP vested during the year: No. of ESOPs: 17,34,519 Value of ESOPs: ₹ 3,84,94,633	Cash: ₹ 73,04,754 ESOP vested during the year: No. of ESOPs:15,48,865 Value of ESOPs: ₹ 2,91,40,031
j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed: ₹ 10,51,62,324 Total Variable Cash: ₹ 2,48,64,862** a) Deferred Cash: ₹ 1,52,36,841 b) Paid Cash: ₹ 96,28,021 Non Cash - Deferred No of ESOPs: 21,30,169*** Value of ESOPs: ₹ 5,84,53,121	Fixed: ₹ 7,44,52,221 Total Variable Cash: ₹ 1,94,43,418 ** a) Deferred Cash: ₹ 1,20,37,279 b) Paid Cash: ₹ 74,06,139 Non Cash - Deferred No of ESOPs: 22,02,566 *** Value of ESOPs: ₹ 6,16,42,203
k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	-	-
	(ii) Total amount of reductions during the financial year due to ex post explicit adjustments.	-	-
	(iii) Total amount of reductions during the financial year due to ex post implicit adjustments.	-	-

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

S. No	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
l)	Number of MRTs identified#	5	4
m)	(i) Number of cases where malus has been exercised.	-	-
	(ii) Number of cases where clawback has been exercised.	-	-
	(iii) Number of cases where both malus and clawback have been exercised.	-	-
n)	**General Quantitative Disclosure**		
	The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	Mean Pay: ₹ 5,51,345 Deviation: WTD (MD) Sal: 45.2 times Mean Pay and WTD (ED) Sal: 43.5 times Mean Pay	Mean Pay: ₹ 5,07,502 Deviation: WTD (MD) Sal: 45.5 times Mean Pay

The quantitative disclosures are provided in respect of Whole Time Directors/Chief Executive Officer/ Other Risk Takers.

*Includes a retired employee for whom deferred variable pay was paid in FY 2023-24 and FY 2024-25

**Variable Pay reported refers to variable pay determined in FY 2024-25 and payable for FY 2023-24 performance

*** ESOP data for the MD, reported for FY 2023-24 is modified as per RBI approval. Shares granted to the MD in FY 2023-24 for FY 2023-24 performance was cancelled and options were re-issued basis RBI approval for FY 2023-24 performance in FY 2024-25.

$Includes deferred cash payouts pertaining to FY 2021-22, FY 2022-23 and FY 2023-24

#One Whole Time Director (MRT) has been hired in FY 2024-25

Details of Remuneration (excluding sitting fees and reimbursement of reasonable expenses incurred) paid to Independent Directors for the year ended March 31, 2025 and for the year ended March 31, 2024 are as under:

Name	Remuneration	
	FY 2024-25	FY 2023-24
Anil Kumar Sharma*	0.15	-
K S Sampath**	0.11	-
Navin Puri	0.10	0.10
Ramesh Rangan	0.10	0.10
Samir Kumar Barua	0.10	0.10
Geeta Dutta Goel***	0.10	-
Dr.Gulshan Rai****	0.10	-
Narayanan N R*****	0.07	-
K Ramkumar******	0.07	-
Arun Ramanathan#	0.01	0.20
Srinivasan N##	0.03	0.10
Vinod Kumar Sharma###	0.04	0.10
Arun Kumar Verma####	0.06	0.15
Balakrishnan N#####	0.05	0.10
Total	**1.09**	**0.95**

*Appointed as a Part Time Chairman and Independent Director of the Bank w.e.f. 25-04-2024.

**Appointed as an Independent Director of the Bank w.e.f. 16-07-2024.

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

***Appointed w.e.f 27-12-2021. Waived her right to receive sitting fees and remuneration for FY 2023-24.

****Appointed as an Independent Director of the Bank w.e.f. 28-03-2024.

*****Appointed as an Independent Director of the Bank w.e.f. 16-07-2024.

******Appointed as an Independent Director of the Bank w.e.f. 16-07-2024.

#Ceased to be the Part-time Chairman and Independent Director of the Bank w.e.f the close of business hours on 24-04-2024

##Resigned as an Independent Director of the Bank w.e.f. the close of business hours on 26-07-2024

###Ceased to be an Independent Director of the Bank w.e.f the close of business hours on 31-08-2024

####Ceased to be an Independent Director of the Bank w.e.f the close of business hours on 03-09-2024

#####Ceased to be an Independent Director of the Bank w.e.f. the close of business hours on 20-09-2024

14 Other Disclosures

a) Business Ratios

S. No	Ratio	As on March 31, 2025	As on March 31, 2024
(i)	Interest Income as a percentage to Working Funds*	12.75%	13.45%
(ii)	Non interest income as a percentage to Working Funds*	1.84%	1.96%
(iii)	Cost of Deposits	7.40%	7.12%
(iv)	Net Interest Margin$	7.24%	8.20%
(v)	Operating Profit as a percentage to Working Funds^*	2.69%	3.38%
(vi)	Return on Assets@	0.30%	1.96%
(vii)	Business (deposits plus advances) per employee#& (₹ in Crore)	3.03	2.80
(viii)	Profit per employee& (₹ in Crore)	0.006	0.037

Note:

*Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X for Commercial Banks and Form IX for UCBs., during the 12 months of the financial year.

$Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense

@Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

#For the purpose of computation of business per employee (deposits plus net advances), inter-bank deposits shall be excluded.

^Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).

&Productivity ratios (Business per employee and Profit per employee) are based on average employee numbers, which excludes contract staff, intern etc.

b) Bancassurance Business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

Particulars	As on March 31, 2025	As on March 31, 2024
On Insurance products	93.83	90.71
On Mutual Fund products	3.00	1.71
Total	**96.83**	**92.42**

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

c) Marketing and Distribution

Miscellaneous income in Schedule 14 include the following income earned on Marketing and distribution activity:

Particulars	As on March 31, 2025	As on March 31, 2024
Fees for display of publicity material	-	3.55
Total	**-**	**3.55**

d) Inter-bank participation with risk sharing

The aggregate amount of participation issued by the Bank and reduced from advances as per regulatory guidelines as on March 31, 2025 is "Nil" (Previous Year: ₹ 1,180 Crore).

e) Priority Sector Lending Certificates (PSLCs)

Particulars	As on March 31, 2025	
	PSLCs bought during the year	PSLCs sold during the year
Agriculture	500.00	-
Small and Marginal Farmers	700.00	-
Micro Enterprises	-	-
General	-	-
Total	**1,200.00**	**-**

Particulars	As on March 31, 2024	
	PSLCs bought during the year	PSLCs sold during the year
Agriculture	600.00	-
Small and Marginal Farmers	-	-
Micro Enterprises	-	-
General	-	-
Total	**600.00**	**-**

f) Provisions and Contingencies

The breakup of provisions and contingencies debited to profit and loss account is given below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provision for NPA (including write off)	905.56	284.52
Net provision/(reversal) towards Standard assets (including provision for restructured standard assets)	4.11	(18.30)
Provision for Non Performing Investment	-	47.29
Provision for taxes (net)	92.95	276.36
Deferred tax (net)	(41.15)	(12.19)
Floating Provisions	180.00	-
Additional Provision of Standard Assets	40.70	(1.59)
Other Provision and Contingencies	5.05	2.31
Total	**1,187.22**	**578.40**

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

g) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), converged with International Financial Reporting Standards (IFRS), for scheduled commercial Banks, insurance companies and non-banking financial companies (NBFCs). However, currently the implementation of Ind AS for Banks has been deferred by RBI till further notice pending the consideration of some recommended legislative amendments by the Government of India. The Bank is in an advanced stage of preparedness for implementation of Ind AS, as and when these are made applicable to the Indian Banks

As required by the RBI guidelines, the accounts of the Bank are converted into Ind AS format and submitted to the RBI at periodic intervals. The Bank carries out the Expected Loss provisioning using Probability of Default (PD) and Loss given Default (LGD) by considering historical data for the purpose of Ind AS pro-forma reporting and product pricing. The Bank has put in a place a comprehensive Expected Credit Loss Framework.

h) Payment of DICGC Insurance Premium

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) Payment of DICGC Insurance Premium*	44.43	32.92
(ii) Arrears in payment of DICGC Insurance Premium	-	-

*Amount paid inclusive of GST.

i) Movement in provision for debit and credit card reward points

Particulars	As on March 31, 2025	As on March 31, 2024
Opening provision for reward points	0.85	0.85
Provision for reward points made during the year	1.38	0.85
Utilisation/Write back of provision for reward points	(0.85)	(0.85)
Effect of change in rate for accrual of reward points	-	-
Effect of change in cost of reward points	-	-
Closing provision for reward points	**1.38**	**0.85**

j) Fixed Assets - details of software

Particulars	As on March 31, 2025	As on March 31, 2024
Opening balance	231.75	173.72
Additions during the year	85.48	118.18
Less: Deletions	-	-
Less: Amortization to date	71.05	60.15
Closing balance	**246.18**	**231.75**

k) i. Others under "Schedule 5 - Other Liabilities and Provisions":

Items under the head "Others (including provisions)" which exceeds one percent of the total assets are furnished below.

Particulars	As on March 31, 2025	As on March 31, 2024
NIL	-	-

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

ii. Others under "Schedule 11 - Other Assets":

Items under the head "Others" which exceeds one percent of the total assets are furnished below.

Particulars	As on March 31, 2025	As on March 31, 2024
NIL	-	-

iii. Miscellaneous income under "Schedule 14-Other Income"

Items under miscellaneous income head exceeds one percent of the total income are furnished below

Particulars	As on March 31, 2025	As on March 31, 2024
Excess interest spread (EIS)	76.21	33.74

iv Other expenditure under "Schedule 16-Operating Expenses"

Items under other expenditure head exceeds one percent of the total income are furnished below

Particulars	As on March 31, 2025	As on March 31, 2024
NIL	-	-

l) Description of Contingent liabilities

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i. Claims against the Bank not acknowledged as debts:

Claims against the Bank not acknowledged as debts includes liability on account of Service tax, Goods and Service Tax and Income Tax. The Bank is a party to various legal proceedings in the ordinary course of business which are contested by the Bank and are therefore subjudice. The Bank does not expect the outcome of these proceedings to have a material adverse impact on the Bank's financial position.

ii. Guarantees given on behalf of constituents:

As a part of Banking activities, the Bank issues Letter of Guarantees on behalf of its customers, with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customers obligations either directly or in case the customer fails to fulfill their financial or performance obligations.

iii. Other items for which the Bank is contingently liable:

These include:

a) Capital commitments

b) Amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF)

c) Investment purchases pending settlement

d) Credit enhancements provided by the Bank towards securitisation

m) Dues to Micro and Small Enterprises

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Based on the information available with the Bank, there are no overdue amounts payable to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date. Further, the Bank has not paid any interest to any Micro and Small Enterprises during the current and previous year.

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars		As on March 31, 2025	As on March 31, 2024
(i)	The principal amount and the interest due there-on remaining unpaid to any supplier as at the end of each accounting year.	-	-
	a) Principal amount due to micro and small enterprises	7.04	7.44
	b) Interest due on above	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

n) Details of Single Borrower Limit/Group Borrower Limit exceeded by the Bank.

During the year, the Bank has not exceeded the prudential credit exposure limit as prescribed by the Reserve Bank of India in respect of Single Borrower and Group Borrowers. (Previous year: Nil).

o) Letters of Comfort

The Bank has not issued any letters of comfort during the year.(Previous year: Nil).

p) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries). The Bank has not received any fund from any Party(ies) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

q) Corporate Social Responsibility Activities

Operating expenses include the following amounts towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

Details of CSR expenditure		Year ended March 31, 2025	Year ended March 31, 2024
a)	**Gross amount required to be spent by the Bank**	15.73	11.67
b)	**Amount Approved by the Board to be spent during the year**	39.90	28.67
c)	**Amount spent**		
i)	Construction/acquisition of any asset	-	-
ii)	On purposes other than (i) above	39.90	28.67

Details of Related party transactions i.e contribution to Trusts (Entities under the same Management) are disclosed as per AS-18 refer Note No 18.17

r) Portfolio-level information on the use of funds raised from green deposits:

The Bank has not accepted green deposits during the current financial year (Previous year: Nil)

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

15 Employee Benefits (AS 15)

Defined Contribution Plan

Provident Fund and NPS

The Bank makes Provident Fund contributions and NPS contributions to State administered fund for qualifying employees. The Bank is required to contribute a specified percentage of the payroll costs to the Fund. The Bank has recognised ₹ 74.18 Crore (Previous Year ₹ 63.56 Crore) towards Provident Fund contributions and NPS contributions in the Profit and Loss Account. The contributions payable to the fund by the Bank is at rates specified in the rules of the scheme.

Defined Benefit Plans

Gratuity

The Bank 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	As on March 31, 2025	As on March 31, 2024
Change in defined benefit obligations during the year		
Present value of defined benefit obligation at beginning of the year	85.48	68.40
Current service cost	19.84	18.82
Interest cost	5.82	4.87
Benefits paid	(9.72)	(7.37)
Actuarial (gains)	4.86	0.76
Present value of defined benefit obligation at end of the year	**106.28**	**85.48**
Change in fair value of assets during the year		
Plan assets at beginning of the year	59.22	29.69
Expected return on plan assets	5.32	3.33
Actual Bank contributions	29.26	29.05
Benefits paid out of the asset	(0.26)	(0.05)
Actuarial gain/(loss)	(2.79)	(2.80)
Plan Assets at end of the Year	**90.75**	**59.22**
Liability recognised in the Balance Sheet		
Present value of defined benefit obligation	(106.28)	(85.48)
Fair value of plan assets	90.75	59.22
Net Liability recognised in the Balance Sheet	**(15.53)**	**(26.26)**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cost of defined benefit plan for the year		
Current service cost	19.84	18.82
Interest cost	5.82	4.87
Expected return on plan assets	(5.32)	(3.33)
Net actuarial gains	7.65	3.56
Net Cost recognized in the Profit and Loss account	**27.99**	**23.92**
Expected return on plan assets	5.32	3.33
Actual return on plan assets	2.53	0.53
Estimated contribution for the next year	20.00	30.00

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Assumptions		
Discount rate (Refer Note (b))	6.88%	7.22%
Interest rate (Estimated rate of return on assets)	7.22%	7.53%
Future salary increase (Refer Note (a))	10.00%	10.00%
Attrition rate (Refer Note (a))	Up to Age 34 - 20.00% From Age 35 - 16.67% From Age 40 - 11.11% From Age 45 - 5.56% From Age 50 - 2%	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, various external/internal factors affecting the Bank.

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.

c) Experience Adjustments:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Projected benefit obligation	106.28	85.48	68.40	54.70	44.03
Fair value of plan assets	90.75	59.22	29.69	26.39	25.49
Surplus/ (Deficit)	(15.53)	(26.26)	(38.71)	(28.31)	(18.54)
Experience adjustments on plan liabilities - (gains)/losses	1.37	(1.90)	10.05	(2.90)	(0.69)
Experience adjustments on plan assets - gains/(losses)	(2.79)	(2.80)	(1.47)	(1.53)	(0.01)

d) Category of Plan Assets

Particulars	% of fair value to total plan assets as on March 31, 2025	% of fair value to total plan assets as on March 31, 2024
Government securities	0%	0%
Debenture and bonds	0%	0%
Equity shares	0%	0%
Others	100%	100%

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Long-term Compensated Absences and Leave Encashment

The key assumptions used in the computation of provision for long term compensated absences and leave encashment as per the Actuarial Valuation done by an Independent Actuary are as given below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Assumptions:		
Discount rate	6.88%	7.22%
Future salary increase	10.00%	10.00%
Attrition rate	Up to Age 34 - 20.00% From Age 35 - 16.67% From Age 40 - 11.11% From Age 45 - 5.56% From Age 50 - 2%	20.00%

16 Disclosures- Accounting Standards

Segment Reporting (AS 17)

The business of the Bank is divided into three segments: Treasury, Wholesale Banking and Retail Banking business. These segments have been identified and reported taking into account the target customer profile, the nature of products and services, the different risks and returns, and the guidelines prescribed by RBI. Also, refer Schedule 17.3.15.

As on March 31, 2025

Business Segments	Treasury	Retail Banking	Corporate/ Wholesale Banking	Other Banking Business	Total
Segment Revenue	890.21	6,144.60	63.76	124.64	**7,223.21**
Segment Results	194.00	(16.09)	(2.70)	110.88	286.09
Unallocated (income)/expenses					87.24
Operating Profit					198.85
Income taxes					51.80
Net Profit					**147.05**
Other information					
Segment assets	14,396.11	37,318.36	776.14	-	52,490.61
Unallocated assets					345.03
Total assets					**52,835.64**
Segment liabilities	12,765.05	33,249.13	691.09	-	46,705.27
Unallocated liabilities					57.84
Total liabilities					**46,763.11**
Net assets/capital employed	1,631.06	4,069.23	85.05	-	5,785.34
Unallocated net assets/capital employed					**287.19**
Total capital employed					**6,072.53**
Additional information					
Capital expenditure	**-**	**239.45**	**5.24**	**-**	**244.69**

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

As on March 31, 2024

Business Segments	Treasury	Retail Banking	Corporate/ Wholesale Banking	Other Banking Business	Total
Segment Revenue	670.28	5,391.92	101.07	121.80	**6,285.07**
Segment Results	135.01	872.14	22.47	108.07	1,137.69
Unallocated (income)/expenses					74.57
Operating Profit					1,063.12
Income taxes					264.16
Net Profit					**798.96**
Other information					
Segment assets	12,378.47	31,808.24	871.28	-	45,057.99
Unallocated assets					245.88
Total assets					**45,303.87**
Segment liabilities	10,765.55	27,773.03	761.54	-	39,300.12
Unallocated liabilities					35.05
Total liabilities					**39,335.17**
Net assets/capital employed	1,612.92	4,035.21	109.74	-	5,757.87
Unallocated net assets/capital employed					**210.83**
Total capital employed					**5,968.70**
Additional information					
Capital expenditure	**-**	**350.68**	**12.87**	**-**	**363.55**

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Geographic segments

The Bank's operations are confined to one geography (India).

Segmental information is provided as per the MIS/reports maintained for internal reporting purposes, which includes certain estimates and assumptions.

The RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub - segment of Retail Banking Segment. The Bank has not set up any DBUs and hence no Digital Banking Segment disclosure have been made. The business operations of the Bank are in India and for the purpose of segment reporting as per Accounting Standard-17 (Segment reporting) the Bank is considered to operate only in domestic segment.

17 Related Party Transactions (AS 18)

i. Names of Related Parties and Nature of Relationship

Entities under the same Management	Equitas Development Initiatives Trust
	Equitas Healthcare Foundation
Key Management Personnel (KMP)	Vasudevan PN, MD & CEO
	Balaji Nuthalapadi - Executive Director (w.e.f. March 29, 2025)
Relatives of MD& CEO	P V Choodamani
	Late Komala P N
	P.V. Varshini
	P.N. Sriraman
	P.N. Malolan
	P.N. Janardhanan
	P.N. Madhavan
Relatives of Executive Director	Priya Krishnamurthy
	N. Rajendran
	N. Uma
	Dhyanika Balaji
	Dakshina Balaji

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

ii. Transactions with the Related Parties

Transaction	Name of the Related Party	Year ended March 31, 2025	Year ended March 31, 2024
Expenses			
CSR contribution	Equitas Development Initiatives Trust	12.00	8.00
	Equitas Healthcare Foundation	27.90	20.67
Rent and Electricity for ATM at Hospital premises	Equitas Healthcare Foundation	0.01	-
Income			
Safe deposit locker rent	Key Management Personnel	*	*
	Relatives of Key Management Personnel	*	*
Deposits			
Term deposits received	Equitas Development Initiatives Trust	0.04	0.04
	Key Management Personnel	1.31	1.12
	Relatives of Key Management Personnel	0.17	0.16
Term deposits closed	Equitas Development Initiatives Trust	0.02	*
	Key Management Personnel	1.37	0.77
	Relatives of Key Management Personnel	0.27	0.19
Interest on term deposits	Equitas Development Initiatives Trust	0.02	0.02
	Key Management Personnel	0.05	0.15
	Relatives of Key Management Personnel	0.02	0.02
Interest on savings deposits	Equitas Development Initiatives Trust	1.01	0.53
	Equitas Healthcare Foundation	0.67	1.11
	Key Management Personnel	0.03	0.04
	Relatives of Key Management Personnel	0.03	0.25
Remuneration paid to KMPs** (excludes employer's share of contribution to various funds and non-monetary perquisites)	Vasudevan PN, MD & CEO	2.92	2.73
	Balaji Nuthalapadi - ED	0.02	-

*denotes figures less than ₹ 1 Lakh

**Key Managerial Personnel are identified as per the definition given in RBI Master Direction on Financial Statements - Presentation and Disclosure and AS - 18 for the purpose of above disclosures.

Under the ESFB Employees Stock Option Scheme, 2019 (ESFB ESOP, 2019) of the Bank, the Key Management Personnel were allotted the following shares:

Name of the Key Management Personnel	Year ended March 31, 2025	Year ended March 31, 2024
Vasudevan PN	-	-
Balaji Nuthalapadi	-	-

Under the ESFB Employees Stock Option Scheme, 2019 (ESFB ESOP, 2019) of the Bank, the Key Management Personnel were granted the following number of options:

Name of the Key Management Personnel	Year ended March 31, 2025	Year ended March 31, 2024
Vasudevan PN	8,31,655	8,24,968*
Balaji Nuthalapadi	-	-

*This options cancelled due to a new clause mentioned by RBI letter dated November 21, 2024. In addition, 6,93,276 options granted during the year ended March 31, 2025 cancelled based on the above said letter.

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 Bank as a whole.

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

iii. Balances outstanding at the end of the year

Particulars	Name of the Related Party	As on March 31, 2025	As on March 31, 2024
Term deposit	Equitas Development Initiatives Trust	0.29	0.26
	Key Management Personnel	1.30	1.36
	Relatives of Key Management Personnel	0.09	0.19
Interest payable on term deposits	Equitas Development Initiatives Trust	*	*
	Key Management Personnel	0.01	0.02
	Relatives of Key Management Personnel	*	*
Savings deposit	Equitas Development Initiatives Trust	7.83	5.02
	Equitas Healthcare Foundation	1.36	1.32
	Key Management Personnel	0.31	0.25
	Relatives of Key Management Personnel	0.14	2.23
Receivables			
Security deposit paid for ATM at hospital premises	Equitas Healthcare Foundation	*	-

*denotes figures less than ₹ 1 Lakh

iv. Maximum outstanding during the year

Particulars	Name of the Related Party	Maximum outstanding during Apr 24 to March 25	Maximum outstanding during Apr 23 to March 24
Term deposit	Equitas Development Initiatives Trust	0.29	0.26
	Key Management Personnel	1.36	3.57
	Relatives of Key Management Personnel	0.24	0.38
Savings deposit	Equitas Development Initiatives Trust	21.73	10.82
	Equitas Healthcare Foundation	29.14	41.15
	Key Management Personnel	1.47	2.23
	Relatives of Key Management Personnel	6.36	102.68

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18 Operating leases (AS 19)

The Bank has taken a number of premises on operating leases for branches, offices, ATMs and residential premises for staffs. The Bank has not given any assets on operating lease. The details of maturity profile of future operating lease payments are given below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Future lease rentals payable at the end of the year		
- Not later than one year	76.70	85.84
- Later than one year but not later than five years	152.62	154.52
- Later than five years	44.20	51.04
Total minimum lease payments recognised in the profit and loss account	97.60	90.33
Total of future minimum sub lease payments expected to be received under non-cancellable sub-lease	-	-

The Bank has not sub-leased any of the properties taken on lease. There is no provision relating to contingent rent.

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

19 Earnings per Share (AS 20)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net profit after tax	147.05	798.96
Basic weighted average number of equity shares	1,13,78,71,980	1,12,25,46,861
Diluted weighted average number of equity shares	1,14,32,83,356	1,14,05,54,799
Nominal value of equity shares (₹)	10.00	10.00
Basic earnings per share (₹)	1.29	7.12
Diluted earnings per share (₹)	1.29	7.01

During the year ended March 31, 2025, the Bank granted 97,29,111 options (Previous year 87,56,571 options) to its employees under the ESFB Employees Stock Option Scheme 2019. These options have dilutive impact on the earnings per share.

20 Deferred Taxes (AS 22)

The major components of Deferred Tax Assets/Liabilities are as follows:

Particulars	As on March 31, 2025		As on March 31, 2024	
Timing difference on account of:	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Impact of difference between tax depreciation and depreciation/amortization for financial reporting.	6.72	-	7.41	-
Expenditure charged to the profit and loss account in the current year but allowed for tax purposes on payment basis.*	53.38	-	42.11	-
Difference between provisions for doubtful debts and advances and amount allowable under section 36 (1) (viia) of Income Tax Act, 1961.	76.60	-	102.72	-
Provision for advances	86.01	-	29.44	-
Others	34.77	6.96	32.83	-
Provision for special reserve u/s 36(i)(viii) of Income Tax Act, 1961	-	16.75	-	14.93
Net closing balance carried to the Balance Sheet (included in Schedule 11 - Other Assets)	**257.48**	**23.71**	**214.51**	**14.93**

*Amount pertains to Provision for Leave encashment ₹ 41.51 Crore (Previous year: ₹ 28.21 Crore), Provision for Gratuity ₹ 3.91 Crore (Previous year: ₹ 6.61 Crore) and Provision for Bonus and Others ₹ 7.96 Crore (Previous year: ₹ 7.29 Crore).

21 Employees Stock Option Scheme

a) Change in Accounting Policy:

The Bank was following the intrinsic value method to account for its stock based employee compensation plans (Employees other than WTD/CEO/MRTs) and fair value method stock options using Black-Scholes model for all the options granted after March 31, 2021 to WTD/CEO/MRTs as required under RBI circular.

The Bank, having regard to the RBI advisory, had changed the accounting policy from intrinsic value method to fair value method for all employee stock options granted after March 31, 2021 and consequently recognised fair value of options estimated using Black–Scholes model, as compensation expense over the vesting period.

As a result, the Bank had additionally provided ₹ 29.21 Crore on March 31, 2024 as employee stock options expenses and included under operating expenses (employees cost).

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

b) ESFB ESOP 2019

During the year ended March 31, 2020, the bank established a employee stock option scheme titled ESFB Employees Stock Option Scheme, 2019 (ESFB ESOP 2019) effective from November 22, 2019. Under the plan, the Bank was authorized to issue upto 11,00,00,000 options (including 3,34,87,873 options under Grant 1 issued as a replacement option for the Scheme under the Holding Company) to eligible employees of the Bank and the erstwhile Holding Company. Each option entitles for apply and allotment of one fully paid share on payment of exercise price during the exercise period.

As on March 31, 2025, 2,77,90,401 (previous year 2,83,40,185) (net of forfeitures and cancellation) options were outstanding, which were granted at various exercise prices. The following are the outstanding options as on March 31, 2025.

Scheme:ESFB ESOP 2019

Grant	Date of Grant	Date of Board/ Committee Approval	Exercise Price Per Option (₹)	Total Options granted	Vesting Period	Method of Settlement	Exercise Period	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	Vesting Conditions
Grant 1	22-Nov -19 & 08-Dec-19	22-Nov -19 & 08-Dec-19	27.00	3,34,87,873	30-Nov-20 to 15-Dec-22 (Vesting over 3 years)	Equity	3 years from the date of vesting of the options	92 % on 12 months and 8 days from the date of grant	6% on expiry of one year from the 1st vesting date	2% on expiry of two years from the 1st vesting date	-	Partly based on continuance of service and partly based on performance rating
Grant 2	12-Dec-19	12-Dec-19	27.00	12,00,000	12-Dec-20 to 12-Dec-23 (Vesting over 4 years)	Equity	3 years from the date of vesting of the options	25 % on 12 months and 20 days from the date of grant	25% on expiry of one year from the 1st vesting date	25% on expiry of two years from the 1st vesting date	25% on expiry of three years from the 1st vesting date	Partly based on continuance of service and partly based on performance rating
Grant 3	29-Jan-20	29-Jan-20	38.00	64,38,855	29 -Jan 2021 to 29-Jan-2022. (Vesting over a period of two years)	Equity	3 years from the date of vesting of the options	67 % on completion of one year from the date of grant	33 % on expiry of one year from the 1st vesting date	-	-	On continuance of Service
Grant 4	24-Mar-20	24-Mar-20	38.00	2,82,000	1-Apr-2021 to 1-Apr-2024 (Vesting over a period of four years)	Equity	3 years from the date of vesting of the options	25 % on 12 months and 20 days from the date of grant	25% on expiry of one year from the 1st vesting date	25% on expiry of two years from the 1st vesting date	25% on expiry of three years from the 1st vesting date	Partly based on continuance of service and partly based on performance rating
Grant 5	26-Sep-20	26-Sep-20	38.00	38,00,360	26-Sep-2021 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 6	15-Feb-21	15-Feb-21	33.00	1,00,000	15-Feb-2022 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 7	15-Feb-21	15-Feb-21	34.00	1,58,346	22-Feb-2022 to 22-Feb-2024 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	1/3rd on expiry of 12 months from the date of grant	1/3rd on expiry of one year from the 1st vesting date	1/3rd on expiry of two years from the 1st vesting date	-	Partly based on continuance of service and partly based on performance rating

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Grant	Date of Grant	Date of Board/ Committee Approval	Exercise Price Per Option (₹)	Total Options granted	Vesting Period	Method of Settlement	Exercise Period	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	Vesting Conditions
Grant 8	15-Feb-21	15-Feb-21	35.00	2,91,000	22-Feb-2022 to 22-Feb-2024 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	1/3rd on expiry of 12 months from the date of grant	1/3rd on expiry of one year from the 1st vesting date	1/3rd on expiry of two years from the 1st vesting date	-	Partly based on continuance of service and partly based on performance rating
Grant 9	15-Feb-21	15-Feb-21	40.00	4,00,000	22-Feb-2022 to 22-Feb-2025 (Vesting over a period of four years)	Equity	3 years from the date of vesting of the options	25 % on 12 months from the date of grant	25% on expiry of one year from the 1st vesting date	25% on expiry of two years from the 1st vesting date	25% on expiry of three years from the 1st vesting date	Partly based on continuance of service and partly based on performance rating
Grant 10	22-Mar-21	22-Mar-21	56.00	38,02,510	22-Mar-2022 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 11	22-Mar-21	22-Mar-21	56.00	11,42,500	22-Mar-2022 to 22-Mar-2025 (Vesting over a period of four years)	Equity	3 years from the date of vesting of the options	25 % on 12 months from the date of grant	25% on expiry of one year from the 1st vesting date	25% on expiry of two years from the 1st vesting date	25% on expiry of three years from the 1st vesting date	Partly based on continuance of service and partly based on performance rating
Grant 12	01-Jun-21	01-Jun-21	60.00	8,37,657	01-Jun-2022 to 01-Jun-2024 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	1/3rd on expiry of 12 months from the date of grant	1/3rd on expiry of one year from the 1st vesting date	1/3rd on expiry of two years from the 1st vesting date	-	Partly based on continuance of service and partly based on performance rating
Grant 13	30-Jul-21	30-Jul-21	64.00	51,76,800	30-Jul-2022 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 14	05-Jul-21	04-Mar-21	50.00	2,82,000	05-Jul-2022 to 05-Jul-2025 (Vesting over a period of four years)	Equity	3 years from the date of vesting of the options	25% on 12 months from the date of grant	25% on expiry of one year from the 1st vesting date	25% on expiry of two years from the 1st vesting date	25% on expiry of three years from the 1st vesting date	Partly based on continuance of service and partly based on performance rating
Grant 15	30-Jul-21	30-Jul-21	64.00	1,80,000	30-Jul-2022 to 30-Jul-2025 (Vesting over a period of four years)	Equity	3 years from the date of vesting of the options	25% on 12 months from the date of grant	25% on expiry of one year from the 1st vesting date	25% on expiry of two years from the 1st vesting date	25% on expiry of three years from the 1st vesting date	Partly based on continuance of service and partly based on performance rating
Grant 16	05-Feb-22	05-Feb-22	57.85	5,03,805	05-Feb-2023 to 05-Feb-2025 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	38.03% on expiry of 12 months from the date of grant	32.76% on expiry of one year from the 1st vesting date	29.21% on expiry of two years from the 1st vesting date	-	On continuance of service

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Grant	Date of Grant	Date of Board/ Committee Approval	Exercise Price Per Option (₹)	Total Options granted	Vesting Period	Method of Settlement	Exercise Period	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	Vesting Conditions
Grant 17	07-Feb-22	07-Feb-22	57.85	11,81,684	07-Feb-2023 to 07-Feb-2025 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	38.03% on expiry of 12 months from the date of grant	32.76% on expiry of one year from the 1st vesting date	29.21% on expiry of two years from the 1st vesting date	-	Based on performance rating
Grant 18	30-May-22	30-May-22	43.60	45,33,410	30-May-2023 to 30-May-2024 (Vesting over a period of two years)	Equity	3 years from the date of vesting of the options	60 % on expiry of 12 months from the date of grant	40% on expiry of one year from the 1st vesting date	-	-	Partly based on continuance of service and partly based on performance rating
Grant 19	30-May-22	30-May-22	43.60	1,09,59,260	30-05-2023 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 20	30-May-22	30-May-22	43.60	23,09,034	30-May-2023 to 30-May-2025 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	38.41% on expiry of 12 months from the date of grant	32.61% on expiry of one year from the 1st vesting date	28.98% on expiry of two years from the 1st vesting date	-	Based on performance rating
Grant 21	31-Oct-22	31-Oct-22	49.00	14,37,208	31-Oct-2023 to 31-Oct-2025 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	39.09% on expiry of 12 months from the date of grant	32.12% on expiry of one year from the 1st vesting date	28.79% on expiry of two years from the 1st vesting date	-	Based on performance rating
Grant 22	20-Dec-22	20-Dec-22	57.20	53,550	20-Dec-2023 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 23	20-Dec-22	23-Dec-22	57.20	10,78,431	20-Dec-2023 to 20-Dec-2025 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	39.85% on expiry of 12 months from the date of grant	31.71% on expiry of one year from the 1st vesting date	28.44% on expiry of two years from the 1st vesting date	-	Based on performance rating
Grant 24	08-Feb-23	08-Feb-23	54.00	39,735	08-Feb-23	Equity	3 years from the date of vesting of the options	100% on grant of options	-	-	-	On continuance of service
Grant 25	05-May-23	05-May-23	75.15	53,37,675	05-May-2024 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 26	05-May-23	05-May-23	75.15	22,02,566	05-May-2024 to 05-May-2026 (Vesting over a period of three year)	Equity	3 years from the date of vesting of the options	39.95% on expiry of 12 months from the date of grant	31.80% on expiry of one year from the 1st vesting date	28.25% on expiry of two years from the 1st vesting date	-	Partly based on continuance of service and partly based on performance rating

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Grant	Date of Grant	Date of Board/ Committee Approval	Exercise Price Per Option (₹)	Total Options granted	Vesting Period	Method of Settlement	Exercise Period	1st Vesting	2nd Vesting	3rd Vesting	4th Vesting	Vesting Conditions
Grant 27	18-Aug-23	18-Aug-23	83.15	12,16,330	18-Aug-2024 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 28	12-Jun-24	12-Jun-24	98.19	68,27,866	12-Jun-2025 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 29	12-Jun-24	12-Jun-24	98.19	19,91,790	12-Jun-2025 to 12-Jun-2027 (Vesting over a period of three year)	Equity	3 years from the date of vesting of the options	39.76% on expiry of 12 months from the date of grant	32.75% on expiry of one year from the 1st vesting date	27.49% on expiry of two years from the 1st vesting date	-	On continuance of service
Grant 30	23-Oct-24	23-Oct-24	66.12	77,800	23-Oct-2025 (Vesting over a period of one year)	Equity	3 years from the date of vesting of the options	12 months from the date of grant	-	-	-	On continuance of service
Grant 31	21-Dec-24	21-Dec-24	63.98	8,31,655	21-Dec-2025 to 21-Dec-2027 (Vesting over a period of three year)	Equity	3 years from the date of vesting of the options	40.22% on expiry of 12 months from the date of grant	32.28% on expiry of one year from the 1st vesting date	27.50% on expiry of two years from the 1st vesting date	-	On continuance of service

Exercise Period: Eligible to exercise the options up to three years from the date of vesting.

Manner of vesting: In a graded manner over 1 to 4 years commencing from the date of grant.

As on March 31, 2025

Particulars	Date of Grant	Outstanding Options as on April 01, 2024	Options granted during the Year	Options Forfeited / Lapsed / (revoked)	Options Exercised	Outstanding options as on March 31, 2025	Vested	Yet to vest	Weighted Average of the remaining maturity (in years)
Grant 1	22-Nov -19 & 08-Dec-19	3,49,986	-	46,104	2,46,338	57,544	57,544	-	0.67
Grant 2	12-Dec-19	2,70,000	-	-	2,70,000	-	-	-	-
Grant 3	29-Jan-20	6,45,803	-	2,31,462	4,14,341	-	-	-	-
Grant 4	24-Mar-20	2,20,850	-	7,050	86,900	1,26,900	1,26,900	-	1.50
Grant 5	26-Sep-20	5,73,255	-	99,885	4,73,370	-	-	-	-
Grant 6	15-Feb-21	-	-	-	-	-	-	-	-
Grant 7	15-Feb-21	18,114	-	-	18,114	-	-	-	-
Grant 8	15-Feb-21	2,46,900	-	72,300	-	1,74,600	1,74,600	-	1.38
Grant 9	15-Feb-21	1,40,000	-	1,00,000	40,000	-	-	-	-
Grant 10	22-Mar-21	19,31,800	-	10,85,999	6,98,656	1,47,145	1,47,145	-	-
Grant 11	22-Mar-21	5,59,950	-	14,550	67,500	4,77,900	4,77,900	-	1.72
Grant 12	01-Jun-21	7,81,815	-	27,922	-	7,53,893	7,53,893	-	1.17
Grant 13	30-Jul-21	27,03,445	-	1,80,080	4,87,388	20,35,977	20,35,977	-	0.33
Grant 14	05-Jul-21	1,65,675	-	10,575	84,600	70,500	-	70,500	3.27
Grant 15	30-Jul-21	-	-	-	-	-	-	-	-

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Date of Grant	Outstanding Options as on April 01, 2024	Options granted during the Year	Options Forfeited / Lapsed / (revoked)	Options Exercised	Outstanding options as on March 31, 2025	Vested	Yet to vest	Weighted Average of the remaining maturity (in years)
Grant 16	05-Feb-22	5,03,805	-	-	-	5,03,805	5,03,805	-	1.76
Grant 17	07-Feb-22	6,66,590	-	-	-	6,66,590	6,66,590	-	1.77
Grant 18	30-May-22	18,27,607	-	5,38,289	2,43,045	10,46,273	10,46,273	-	1.69
Grant 19	30-May-22	58,51,994	-	2,38,795	13,35,899	42,77,300	42,77,300	-	1.16
Grant 20	30-May-22	2,82,342	-	29,895	-	2,52,447	1,19,580	1,32,867	2.69
Grant 21	31-Oct-22	13,24,858	-	92,328	2,24,701	10,07,829	5,94,015	4,13,814	2.78
Grant 22	20-Dec-22	42,840	-	(10,710)	-	53,550	53,550	-	1.72
Grant 23	20-Dec-22	7,67,345	-	-	-	7,67,345	5,49,099	2,18,246	2.61
Grant 24	08-Feb-23	-	-	-	-	-	-	-	-
Grant 25	05-May-23	51,24,075	-	3,19,230	2,68,890	45,35,955	45,35,955	-	2.10
Grant 26	05-May-23	22,02,566	-	9,66,207	-	12,36,359	4,09,142	8,27,217	3.08
Grant 27	18-Aug-23	11,38,570	-	1,17,740	15,400	10,05,430	10,05,430	-	2.38
Grant 28	12-Jun-24	-	68,27,866	4,42,776	-	63,85,090	-	63,85,090	3.20
Grant 29	12-Jun-24	-	19,91,790	6,93,276	-	12,98,514	-	12,98,514	4.08
Grant 30	23-Oct-24	-	77,800	-	-	77,800	-	77,800	3.57
Grant 31	21-Dec-24	-	8,31,655	-	-	8,31,655	-	8,31,655	4.60

As on March 31, 2024:

Particulars	Date of Grant	Outstanding Options as on April 01, 2023	Options granted during the Year	Options Forfeited / Lapsed / (revoked)	Options Exercised	Outstanding options as on March 31, 2024	Vested	Yet to vest	Weighted Average of the remaining maturity (in years)
Grant 1	22-Nov -19 & 08-Dec-19	1,30,05,823	-	13,81,321	1,12,74,516	3,49,986	3,49,986	-	0.97
Grant 2	12-Dec-19	11,40,000	-	30,000	8,40,000	2,70,000	2,70,000	-	2.75
Grant 3	29-Jan-20	41,40,318	-	3,29,343	31,65,172	6,45,803	6,45,803	-	0.83
Grant 4	24-Mar-20	2,67,900	-	7,050	40,000	2,20,850	1,50,350	70,500	1.82
Grant 5	26-Sep-20	17,31,452	-	19,100	11,39,097	5,73,255	5,73,255	-	0.49
Grant 6	15-Feb-21	1,00,000	-	-	1,00,000	-	-	-	-
Grant 7	15-Feb-21	54,342	-	-	36,228	18,114	18,114	-	2.87
Grant 8	15-Feb-21	2,61,900	-	-	15,000	2,46,900	2,46,900	-	1.93
Grant 9	15-Feb-21	2,95,000	-	10,000	1,45,000	1,40,000	40,000	1,00,000	3.58
Grant 10	22-Mar-21	31,43,400	-	52,452	11,59,148	19,31,800	19,31,800	-	0.97
Grant 11	22-Mar-21	8,05,103	-	1,50,237	94,916	5,59,950	4,14,450	1,45,500	2.59
Grant 12	01-Jun-21	8,09,737	-	27,922	-	7,81,815	5,02,596	2,79,219	2.20
Grant 13	30-Jul-21	41,89,290	-	1,61,480	13,24,365	27,03,445	27,03,445	-	1.33
Grant 14	05-Jul-21	2,74,950	-	10,575	98,700	1,65,675	24,675	1,41,000	3.53
Grant 15	30-Jul-21	-	-	-	-	-	-	-	-
Grant 16	05-Feb-22	5,03,805	-	-	-	5,03,805	3,56,644	1,47,161	2.76
Grant 17	07-Feb-22	6,66,590	-	-	-	6,66,590	4,71,879	1,94,711	2.76
Grant 18	30-May-22	37,74,810	-	14,27,541	5,19,662	18,27,607	6,66,947	11,60,660	2.79
Grant 19	30-May-22	1,03,82,960	-	2,94,525	42,36,441	58,51,994	58,51,994	-	2.16
Grant 20	30-May-22	4,58,442	-	35,220	1,40,880	2,82,342	-	2,82,342	3.63

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Equitas Small Finance Bank

SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Date of Grant	Outstanding Options as on April 01, 2023	Options granted during the Year	Options Forfeited / Lapsed / (revoked)	Options Exercised	Outstanding options as on March 31, 2024	Vested	Yet to vest	Weighted Average of the remaining maturity (in years)
Grant 21	31-Oct-22	14,37,208	-	1,12,350	-	13,24,858	4,49,402	8,75,456	3.55
Grant 22	20-Dec-22	53,550	-	10,710	-	42,840	42,840	-	2.72
Grant 23	20-Dec-22	10,78,431	-	3,11,086	-	7,67,345	3,05,785	4,61,560	3.61
Grant 24	08-Feb-23	39,735	-	39,735	-	-	-	-	-
Grant 25	05-May-23	-	53,37,675	2,13,600	-	51,24,075	-	51,24,075	3.09
Grant 26	05-May-23	-	22,02,566	-	-	22,02,566	-	22,02,566	3.97
Grant 27	18-Aug-23	-	12,16,330	77,760	-	11,38,570	-	11,38,570	3.37

c) The fair value of options used to compute pro-forma net profit and earnings per equity share have been estimated on the date of the grant, using Black-Scholes model by a Merchant Banker.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Particulars	Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying share at the time of the option grant (₹)	Fair value of the option (₹)			
							1st Stage	2nd Stage	3rd Stage	4th Stage
Grant 1	22-Nov -19 & 08-Dec-19	5.56% to 6.06%	2.52 yrs to 4.53 yrs	32.52% to 35.63%	-	27.00	7.10	8.70	10.69	-
Grant 2	12-Dec-19	5.85% to 6.59%	2.50 yrs to 5.51 yrs	32.61% to 35.74%	-	27.00	7.17	8.82	10.83	12.13
Grant 3	29-Jan-20	5.83 % to 6.12%	2.50 yrs to 3.51 yrs	32.66% to 32.86%	-	38.00	10.11	12.41	-	-
Grant 4	24-Mar-20	5.81 % to 6.41%	2.52 yrs to 5.52 yrs	32.86% to 35.33%	-	38.00	10.22	12.45	14.53	16.94
Grant 5	26-Sep-20	4.66%	2.50 yrs	40.98%	-	38.00	11.35	-	-	-
Grant 6	15-Feb-21	4.68%	2.50 yrs	42.05%	-	33.00	20.76	-	-	-
Grant 7	15-Feb-21	4.68% to 5.46%	2.50 yrs to 4.50 yrs	39.30% to 42.03%	-	34.00	20.20	22.24	24.28	-
Grant 8	15-Feb-21	4.68% to 5.46%	2.50 yrs to 4.50 yrs	39.30% to 42.03%	-	35.00	19.65	21.73	23.81	-
Grant 9	15-Feb-21	4.68% to 5.75%	2.50 yrs to 5.50 yrs	39.30% to 42.03%	-	40.00	17.11	19.38	21.63	23.83
Grant 10	22-Mar-21	4.82%	2.50 yrs	42.24%	-	56.00	16.69	-	-	-
Grant 11	22-Mar-21	4.82% to 5.97%	2.50 yrs to 5.51 yrs	39.21% to 42.13%	-	56.00	16.66	19.60	22.52	25.33
Grant 12	01-Jun-21	4.76% to 5.56%	2.50 yrs to 4.50 yrs	38.27% to 43.09%	-	59.15	18.10	21.01	23.56	-
Grant 13	30-Jul-21	4.77%	2.50 yrs	43.04%	-	64.00	19.40	-	-	-

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying share at the time of the option grant (₹)	Fair value of the option (₹)			
							1st Stage	2nd Stage	3rd Stage	4th Stage
Grant 14	05-Jul-21	4.84% to 5.98%	2.50 yrs to 5.51 yrs	37.88% to 42.96%	-	49.70	21.76	24.56	26.93	29.57
Grant 15	30-Jul-21	4.77% to 5.95%	2.50 yrs to 5.51 yrs	37.68% to 43.04%	-	64.00	19.40	22.51	25.30	28.35
Grant 16	05-Feb-22	5.10% to 6.05%	2.50 yrs to 4.50 yrs	38.85% to 43.84%	-	57.85	18.45	21.41	24.01	-
Grant 17	07-Feb-22	5.10% to 6.05%	2.50 yrs to 4.50 yrs	38.85% to 43.84%	-	57.85	18.45	21.41	24.01	-
Grant 18	30-May-22	6.43% to 6.74%	2.50 yrs to 3.50 yrs	41.17% to 42.97%	-	43.60	14.26	16.80	-	-
Grant 19	30-May-22	6.43%	2.50 yrs	42.97%	-	43.60	14.26	-	-	-
Grant 20	30-May-22	6.43% to 6.95%	2.50 yrs to 4.51 yrs	39.40% to 42.97%	-	43.60	14.26	16.80	18.90	-
Grant 21	31-Oct-22	6.97% to 7.26%	2.50 yrs to 4.51 yrs	40.85% to 42.96%	-	49.00	16.14	19.64	21.91	-
Grant 22	20-Dec-22	6.85%	2.50 yrs	40.37%	-	57.20	18.15	-	-	-
Grant 23	20-Dec-22	6.85% to 7.12%	2.50 yrs to 4.51 yrs	40.37% to 42.90%	-	57.20	18.15	22.81	25.43	-
Grant 24	08-Feb-23	6.62%	1.25 yrs	39.90%	-	54.00	11.45	-	-	-
Grant 25	05-May-23	6.78%	2.50 yrs	39.27%	-	75.15	23.35	-	-	-
Grant 26	05-May-23	6.78% to 6.85%	2.50 yrs to 4.51 yrs	39.27% to 41.81%	-	75.15	23.35	29.34	33.02	-
Grant 27	18-Aug-23	6.92%	2.50 yrs	37.47%	-	83.15	25.17	-	-	-
Grant 28	12-Jun-24	6.89%	2.50 yrs	35.74%	-	98.19	27.02	-	-	-
Grant 29	12-Jun-24	6.89% to 6.92%	2.50 yrs to 4.50 yrs	35.71% to 39.06%	1.02%	98.19	27.02	34.04	38.84	-
Grant 30	23-Oct-24	6.56%	2.50 yrs	35.47%	1.51%	66.12	17.33	-	-	-
Grant 31	21-Dec-24	6.59% to 6.66%	2.50 yrs to 4.50 yrs	33.63% to 38.11%	1.56%	63.98	16.11	20.07	23.55	-

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SCHEDULE 18 - Notes forming part of the financial statements for the year ended March 31, 2025

(All amounts in Crore of ₹, unless otherwise specified)

Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black -Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

d) Dividend Yield

Expected dividend yield has been calculated based on the dividend declared for 1 financial year prior to the date of grant. The dividend yield has been derived by dividing the dividend per share by the market price per share on the date of grant.

22 Prior period comparatives

Prior period comparatives have been reclassified/regrouped by the management, wherever necessary.

As per our report of even date

For ASA & Associates LLP,
Chartered Accountants
Firm Registration No.: 009571N/N500006

G N Ramaswami
Partner
Membership No: 202363
Place: Chennai
Date: April 30, 2025

For Equitas Small Finance Bank Limited

Anil Kumar Sharma
Part time Chairman and Independent Director
DIN:08537123
Place: Chennai
Date: April 30, 2025

Vasudevan PN
Managing Director and Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2025

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2025

For Suri & Co,
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694

Place: Mumbai
Date: April 30, 2025

N Sridharan
Chief Financial Officer

Place: Chennai
Date: April 30, 2025

Ramanathan N
Company Secretary
M.No:28366

Place: Chennai
Date: April 30, 2025

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