August 10, 2026

National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Mumbai – 400051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001
Symbol: EQUITASBNK	**Scrip Code: 543243,976218 & 976979**

Dear Sir / Madam

Sub: Notice of the Tenth Annual General Meeting ("AGM") with the Annual Report of Equitas Small Finance Bank Limited ("Bank") for the FY 2025-2026

Pursuant to Regulation 34, 53 (2) and other applicable clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to notify that the Tenth Annual General Meeting of the Bank is scheduled to be held on Wednesday, September 09, 2026 at 11:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the applicable circulars from the MCA and SEBI issued from time to time.

The soft copy of the Annual Report for FY 2025-2026 along with the Notice of the Tenth AGM of the Bank are enclosed. The same can be accessed on the Bank's website at https://ir.equitas.bank.in/shareholder-services/

The following are the cut-off dates in respect of the Tenth AGM:

Particulars	Date(s)
Cut-off date for ascertaining Members and Debenture holders to whom the Notice and Annual Report will be sent	Friday, July 31, 2026
Cut-off date for ascertaining Members who will be entitled to participate in the AGM through Remote e-Voting / Voting at the meeting	Wednesday, September 02, 2026
Date of Remote e-Voting	Sunday, September 06, 2026 (9:00 A.M. IST) to Tuesday, September 08, 2026 (5:00 P.M. IST)

The Notice of AGM along with the Annual Report for FY 2025-2026 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**

NATARAJAN RAMANATHAN

Digitally signed by NATARAJAN RAMANATHAN
DN: c=IN, o=PERSONAL,
2.5.4.20=cde9f54461150b01e63979e8f6b446ec8e7ae7cb142ea4a134d52bdb3296ac03, postalCode=600075,
st=TAMIL NADU,
serialNumber=311be2c6d6a94657abc0c5f6d41449126b6b956de629c31b0c1fb590e068c9e3,
cn=NATARAJAN RAMANATHAN
Date: 2026.08.10 14:43:20 +05'30'

N Ramanathan
Company Secretary
Encl: a/a

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

Notice

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.equitas.bank.in, E-mail: cs@equitas.bank.in

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Tenth Annual General Meeting (10th AGM) of the Members of Equitas Small Finance Bank Limited ("the Bank") will be held on Wednesday, September 09, 2026 at 11:00 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 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 , 03/2025 dated 22nd September, 2025 and other relevant circulars and notifications issued in this regard by the Ministry of Corporate Affairs, Government of India('MCA Circulars'), to transact the following business:

ORDINARY BUSINESS

Item No. 1: To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended 31st March 2026 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 the Financial Year ended March 31, 2026 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. Balaji Nuthalapadi (DIN: 08198456) 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. Balaji Nuthalapadi (DIN: 08198456), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Bank liable to retire by rotation."

Item No. 3: To appoint M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.: 004207S) as one of the Joint Statutory Auditors of the Bank

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Banking Regulation Act, 1949, applicable circulars, rules and regulations issued thereunder (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and guidelines issued by the Reserve Bank of India ("RBI") from time to time and such other regulatory authorities, as may be applicable, and pursuant to the approval granted by the RBI, the approval of the Members of the Bank be and is hereby accorded for the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.: 004207S), Chennai as one of the Joint Statutory Auditors of the Bank who have offered themselves for appointment and have confirmed their eligibility to be appointed as Joint Statutory Auditors of the Bank, to hold office from the conclusion of this Tenth Annual General Meeting until the conclusion of the Thirteenth Annual General Meeting to be held in the year 2029, subject to the firm satisfying the eligibility norms each year and subject to the approval of RBI on an annual basis and on such terms & conditions as may be approved by RBI."

Item No. 4: To Fix the Remuneration payable to the Joint Statutory Auditors for the Financial Year 2026-27

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, ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the provisions of the Banking Regulation Act, 1949 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 ₹ 1,23,43,000/- (Rupees One Crore Twenty Three Lakhs and Forty Three Thousand Only) to M/s. Suri & Co., Chartered Accountants, Chennai (Firm Registration No.: 004283S) and M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No.: 004207S), the Joint Statutory Auditors of the Bank, for the financial year 2026-27 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) authorized by the Board or Audit Committee in this regard, be and is hereby authorized to negotiate, finalize, 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. 5: To re-appoint Mr. Vasudevan P N (DIN: 01550885) as the Managing Director & Chief Executive Officer

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the provisions of Section 10B (1A), 35B and other applicable provisions of the Banking Regulation Act, 1949, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), RBI (Small Finance Banks - Governance) Directions, 2025, RBI Circulars on Fit and Proper criteria for Directors of Banks and the rules, guidelines and circulars issued by the Reserve Bank of India ("RBI") in this regard from time to time, pursuant to the Bank's Policy for Selection and appointment of Directors and in consonance with the provisions of the Articles of Association of the Bank , pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors (the "Board") of the Bank and in accordance with the approval accorded by the Reserve Bank of India (RBI), the approval of the Members of the Bank be and is hereby accorded for the re-appointment of Mr. Vasudevan P N (DIN: 01550885) as Managing Director & Chief Executive Officer of the Bank for a period of three years with effect from July 23, 2026 to July 22, 2029 (both days inclusive), liable to retire by rotation, on the terms and conditions, including remuneration, as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT subject to the approval of RBI, the Board (also deemed to include Nomination & Remuneration Committee of the Board) be and is hereby authorized to do all such acts, deeds, matters and things including the power to settle all questions or difficulties that may arise with regard to the said appointment as it may deem fit and to execute any agreements, documents, instructions, etc., as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

Item No. 6: 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 Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013, ("the 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, RBI (Small Finance Banks - Governance) Directions, 2025 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, Managing Director & Chief Executive Officer ("MD & CEO") (DIN: 01550885) as detailed below and in the Explanatory Statement, and as may be approved by the RBI effective from April 01, 2026.

Component	Value
Fixed Pay (including retirals and perquisites)	₹ 2,79,77,640/-
Variable Pay	₹ 4,19,66,460/- 30% of this variable pay be in cash and the balance 70% to be through ESOPs and in compliance with applicable Regulations.
Medical Benefits	No change
Travelling and halting allowances	No change
Other benefits: **a) Personal accident insurance** **b) Club membership** **c) Home Loan**	 No change No change 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 claw back 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 claw back 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 Chief Financial Officer, Chief People Officer, Company Secretary and Chief Compliance Officer be and are hereby severally authorized 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. 7: To fix the remuneration payable to Mr. Balaji Nuthalapadi (DIN: 08198456) as the Executive Director (Whole-Time Director)

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

"**RESOLVED THAT** pursuant to Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013, ("the 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, RBI (Small Finance Banks - Governance) Directions, 2025 and the rules, circulars and guidelines issued by 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), Articles of Association of the Bank 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. Balaji Nuthalapadi (DIN: 08198456), Whole-Time Director (Executive Director) as detailed below and in the Explanatory Statement, and as may be approved by the RBI effective from April 01, 2026.

Component	Value
Fixed Pay (including retirals and perquisites)	₹ 2,54,40,000/-
Variable Pay	₹ 2,54,40,000/- 1/3rd of this variable pay be in cash and the balance 2/3rd to be through ESOPs and in compliance with applicable regulations.
Medical Benefits	No change
Other benefits:	
a) Personal accident insurance	No change
b) Club membership	No change
c) Home Loan	No change
Reimbursements	No change
Superannuation benefits	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 Whole-Time Director 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 claw back 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 claw back shall be determined by the Nomination & Remuneration Committee (NRC) of the Bank under recommendations from the Managing Director.

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

RESOLVED FURTHER THAT Managing Director & Chief Executive Officer, Chief Financial Officer, Chief People Officer, Company Secretary and Chief Compliance Officer be and are hereby severally authorized 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. 8: To Re-appoint Ms. Geeta Dutta Goel (DIN: 02277155) as an Independent Director

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

"**RESOLVED THAT** pursuant to Sections 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A 2(A) and other applicable provisions, if any, of the Banking Regulation Act, 1949, RBI (Small Finance Banks - Governance) Directions, 2025 and 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 the approval accorded by the Board of Directors ("Board") of the Bank, Ms. Geeta Dutta Goel (DIN: 02277155), who was appointed as an Independent Director at the Sixth Annual General Meeting of the Bank held on July 19, 2022 for a period of five years with effect from December 27, 2021 till December 26, 2026 and who is eligible for reappointment 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 Obligations 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 December 27, 2026 until December 26, 2029, (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 Act and any other relevant RBI guidelines in relation to compensation to NEDs & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereof from time to time.

RESOLVED FURTHER THAT Managing Director & Chief Executive Officer, Chief Financial Officer, Chief People Officer, Company Secretary and Chief Compliance Officer of the Bank be and are hereby severally authorized 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. 9: 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 Act"), 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 SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the SEBI (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 of Association 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 ₹ 500 Crores (Rupees Five Hundred 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."

Item No. 10: 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 ₹ 1250 crores

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

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62, 179 and other applicable provisions, of the Companies Act, 2013, ("the Act") the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations framed thereunder (including any amendments, statutory modification(s) and / or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof) ("ICDR Regulations") and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, to the extent applicable, the listing agreement(s) entered into by the Bank with the stock exchanges on which the equity shares having face value of ₹ 10/- each of the Bank ('Equity Shares') are listed, the provisions of the Banking Regulation Act, 1949, Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and / or re-enactment(s) thereof ('FEMA'), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ('GOI') from time to time, as amended and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the GOI, Ministry of Corporate Affairs ('MCA'), the RBI, BSE Limited and National Stock Exchange of India Limited ('Stock Exchanges'), the Securities and Exchange Board of India ('SEBI'), the Registrar of Companies, Chennai ('RoC') and / or any other regulatory / statutory authorities, in India or abroad from time to time, to the extent applicable and subject to such approvals, permits, consents and sanctions of any regulatory / statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee of the Board of Directors of the Bank duly constituted by the Board to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservations on firm and / or competitive basis, for such part of issue and for such categories of persons as may be permitted by applicable law) with or without green shoe option, such number of Equity Shares and / or other securities convertible into Equity Shares and / or non-convertible debt securities along with warrants (hereinafter referred to as 'Securities'), or any combination thereof, in one or more tranches, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the Book Running Lead Manager(s) ("BRLM(s)") and / or other advisor(s) or otherwise, for an aggregate amount up to ₹ 1,250 crores (Rupees One Thousand Two Hundred and Fifty Crores only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of one or more Qualified Institutions Placement(s) ('QIP') in accordance with the provisions of Chapter VI of the ICDR Regulations, or through any other permissible mode and / or combination thereof as may be considered appropriate under applicable law, to such investors that may be permitted to invest in such issuance of Securities, including eligible Qualified Institutional Buyers ('QIBs') (as defined in the ICDR Regulations), foreign / resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors, Indian and / or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and / or any other categories of investors, whether or not such investors are members of the Bank, to all or any of them, jointly or severally through an offer / preliminary placement document / placement document and/or other letter or circular as may be deemed appropriate, in the sole discretion by the Board, in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at such price, whether at prevailing market price(s) or at a premium or discount to market price as may be permitted under applicable law and / or as may be permitted by the relevant regulatory / statutory authority, with authority to retain oversubscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms as may be deemed appropriate by the Board at its absolute discretion (the 'Issue') at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the BRLM(s) and / or underwriter(s) and / or other advisor (s) to be appointed by the Bank for such issue and without requiring any further approval or consent from the Members.

RESOLVED FURTHER THAT pursuant to the above-mentioned resolution:

a) the Securities proposed to be issued, offered and allotted shall be fully paid up except for warrants which may be partly paid-up) and in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Bank, the Companies Act, 2013 and other applicable laws;

b) the Securities that may be issued by the Bank shall rank pari- passu with the existing Equity Shares of the Bank in all respects including entitlement to dividend and voting rights, if any, from the date of allotment thereof, subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum and Articles of Association of the Bank;

c) the number and / or price of the equity shares to be issued on conversion of Securities convertible into equity shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalization of profits or reserves or any such capital or corporate re-organisation or restructuring and

d) a minimum of 10% of the securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs.

RESOLVED FURTHER THAT in terms of Chapter VI of the ICDR Regulations, the allotment of Securities shall only be to QIBs as defined in the ICDR Regulations and shall be completed within a period of 365 days from the date of passing of this Special Resolution by the members of the Bank or such other time as may be allowed under the ICDR Regulations from time to time. The Bank shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed in the ICDR Regulations, from the date of prior QIP made pursuant to one or more special resolutions.

RESOLVED FURTHER THAT subject to applicable law, in terms of Chapter VI of the ICDR Regulations, the relevant date for the purpose of pricing of the equity shares shall be the date of the meeting in which the Board or any other committee duly authorized by the Board decides to open the QIP of equity shares as securities and in case securities are eligible convertible securities, then either the date of the meeting in which the Board or duly authorized Committee decides to open the proposed issue or the date on which holders of Securities become eligible to apply for Equity Shares, as may be determined by the Board or duly authorized Committee or such date as may be permitted under ICDR Regulations.

RESOLVED FURTHER THAT the securities shall not be eligible to be sold by the allottee for a period of one year from the date of allotment, except on a recognized Stock Exchange, or such other time except as may be allowed under the ICDR Regulations from time to time and no single allottee shall be allotted more than fifty per cent of the issue size and the minimum number of allottees shall be as per the ICDR Regulations. Furthermore, the tenure of convertible or exchangeable securities issued shall not exceed sixty months from the date of allotment.

RESOLVED FURTHER THAT any issue of securities made by way of a QIP under Chapter VI of ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations ('QIP Floor Price'). Furthermore, the Board may, at its absolute discretion and in consultation with the BRLM(s), also offer a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law to the QIP Floor Price.

RESOLVED FURTHER THAT the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the ICDR Regulations, if required.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by SEBI / Stock Exchanges where the shares of the Bank are listed or such other appropriate authorities at the time of according / granting their approvals to issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms to provide for the tradability and free transferability thereof as per applicable law and prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, terms pertaining to voting rights, share premium and the Board, subject to applicable laws, regulations and guidelines, be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed in accordance with applicable law.

RESOLVED FURTHER THAT for the purpose of giving effect to the Issue, the Board be and is hereby authorized, on behalf of the Bank, and in consultation with the BRLM(s), to take all actions and do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, including the finalization and approval of the draft as well as preliminary placement document, the placement document, any offering document, and any addenda or corrigenda thereto, as applicable, with any applicable regulatory authorities or agencies, as may be required, determining the form and manner of the Issue, terms of the Issue, identification and class of the investors to whom the Securities are to be offered, utilization of the issue proceeds, authorizing any Director(s) or Officer(s) of the Bank to sign preliminary placement document, the placement document, any offering document, execute any necessary documents, agreements, forms, deeds, appointment of intermediaries, open and close the period of subscription of the Issue, determine the issue price (including premium, if any), number of Securities, discount on the issue price, premium amount on issue and all other terms and conditions of the Securities, signing of declarations, file any necessary forms with regulatory authorities and allot the Securities and to amend, vary or modify any of the above as the Board may consider necessary, desirable or expedient and to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and resolve and settle or give instructions or directions for settling all questions or difficulties that may arise in regard to such Issue without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution. Furthermore, all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of these resolutions be and are hereby approved.

RESOLVED FURTHER THAT the Board or any Committee of the Board or any Committee of the Executives of the Bank be and is hereby authorised to appoint / engage BRLM(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, and any other intermediaries, agencies and professionals as may be required to be appointed, involved or concerned in such Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc. with such agencies and to seek the listing of such Securities issued on the Stock Exchanges.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred by this resolution herein to any committee of directors or any director(s) or committee of executives or officer(s) of the Bank, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in this regard to the Issue and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper in the best interest of the Bank."

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

Place: Chennai
Date: June 24, 2026

N Ramanathan
Company Secretary

General Instructions for accessing and participating in the Tenth 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 03/2025 dated September 22, 2025 (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, 2026 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 Tenth 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. 3-10 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@equitas.bank.in 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 cs@equitas.bank.in

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@equitas.bank.in on or before 5:00 P.M. on September 05, 2026.

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, to the following e-mail ID, cs@equitas.bank.in on or before 5:00 P.M. on September 05, 2026. 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 read with amendments thereto 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, 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.equitas.bank.in/ 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 tenth 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 dematerialized form, as on cut-off date, i.e., September 02, 2026 may cast their votes electronically. The e-voting period commences on Sunday, September 06, 2026 (9.00 A.M. IST) and ends on Tuesday, September 08, 2026 (5.00 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 02, 2026. 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 02, 2026, 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 and become Members of the Bank after the Notice is sent and holding shares as of the cut-off date, i.e., September 02, 2026, 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 2025-2026 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.equitas.bank.in/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://ir.equitas.bank.in/shareholder-services/. 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://ir.equitas.bank.in/shareholder-services/. 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 Tenth 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.equitas.bank.in

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 06, 2026.

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

The remote e-voting period begins on Sunday, September 06, 2026 at 9:00 A.M. (IST) and ends on Tuesday, September 08, 2026 at 5:00 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 02, 2026 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 02, 2026.

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: Access 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.

Type of shareholders	Login Method
	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 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 Mysis 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.

Type of shareholders	Login Method
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 (140621) 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 Andhra Card) by email to cs@equitas.bank.in

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@equitas.bank.in. 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.

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.

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 Nos. 3 & 4:

To appoint M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.: 004207S) as one of the Joint Statutory Auditors of the Bank

To fix the remuneration payable to the Joint Statutory Auditors for the Financial Year 2026-27

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

The Members of the Bank at the Seventh Annual General Meeting ('AGM') of the Bank held on August 29, 2023 approved the appointment of M/s. A S A & Associates LLP (ASA), Chartered Accountants, Chennai (Firm Registration No.: 009571N/N500006), as one of the Joint Statutory Auditors of the Bank for a period of three years from the conclusion of the aforesaid AGM till the conclusion of the Tenth AGM. Accordingly, ASA will complete their present term on conclusion of the ensuing AGM.

M/s. Suri & Co., Chartered Accountants (Firm Registration Number: 004283S) was appointed as one of the Joint Statutory Auditors of the Bank for a period of three years from the Eighth Annual General Meeting held on September 10, 2024 till the conclusion of the Eleventh AGM of the Bank.

Pursuant to the RBI guidelines and the Board approved Policy on appointment of statutory auditors, the Bank is required to appoint a minimum of two audit firms for conducting the statutory audit, considering that the asset size of the Bank as on March 31, 2026 is more than ₹ 15,000 Crores.

Hence, the Board of Directors, after evaluating various factors such as industry experience, competency of the audit team, efficiency in conduct of audit and based on the recommendation of the Audit Committee had recommended the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.: 004207S) as the other Joint Statutory Auditor of the Bank to RBI.

If approved by the Members, the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants (Firm Registration No.: 004207S), as the Joint Statutory Auditor will be for a period of three years with effect from financial year 2026-27 to hold office from the conclusion of this Tenth AGM until the conclusion of the Thirteenth AGM at such remuneration as mentioned in the Notice plus applicable taxes and out of pocket expenses, including such increase on an annual basis, as may be determined and recommended by the Audit Committee and duly approved by the Board of Directors.

M/s. Sundaram & Srinivasan, Chartered Accountants has consented to act as the Joint Statutory Auditor of the Bank and have intimated that such appointment would be in accordance with the conditions prescribed in Section 139 of the Companies Act, 2013 ("the Act") and have also confirmed their eligibility to be appointed as Statutory Auditors, in terms of Section 141 of the Act and applicable rules and RBI Guidelines. RBI has vide its letter bearing reference CO.DOS.RPD. No. S1093/08.58.005/2026-27 dated May 13, 2026, granted its approval for the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants and M/s. Suri & Co., Chartered Accountants, as the Joint Statutory Auditors of the Bank for FY 2026-27 for their first and third term, respectively.

The details in relation to and credentials of M/s. Sundaram & Srinivasan, Chartered Accountants are, as follows:

M/s. Sundaram & Srinivasan, Chartered Accountants, established in 1943, has built a legacy of trust, excellence, and professionalism spanning over 80 years. The firm has been providing professional services of audit assurance, tax advisory services, Business Advisory, Risk Advisory etc., The firm has 15 partners (of which 5 partners have more than 30 years of experience) and 200 audit professionals. They have Head office in Chennai and branches in Madurai, Bangalore and Mumbai.

Assurance Expertise in BFSI:

Reviews of LOS / LMS / CBS to assess end-to-end loan origination, disbursement, and collection processes, Independent validation of asset classification and NPA recognition, Assurance on integration of loan systems with general ledger and reporting modules, Use of data analytics to validate large volumes of lending and repayment transactions, Retail, corporate, treasury, and investment operations assessed for control adequacy, Credit appraisal, sanctioning, and recovery reviewed for compliance, Capital adequacy, liquidity, and stress testing assessed for governance assurance, etc.,

Statutory Central Audit experience in the past 10 years:

The firm is currently acting as Statutory Central Auditor for banks such as CSB Bank Limited, Tamilnadu

Mercantile Bank and ESAF Small Finance Bank, and has in the past served as Statutory Central Auditor for several banks, including Bank of Maharashtra, DCB Bank, Karur Vysya Bank, the Karnataka Bank, City Union Bank, Catholic Syrian Bank and Chennai Central Cooperative Bank

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 Audit Committee and the Board, at their respective meetings held on May 27, 2026 and May 29, 2026 approved an overall annual remuneration / fee of an amount not exceeding ₹ 1,23,43,000/- (Rupees One Crore Twenty Three Lakhs and Forty Three Thousand Only), in addition to any out of pocket expenses and taxes, as applicable, for financial year 2026-27, to the Joint Statutory Auditors of the Bank, and that the same be allocated by the Bank between the Joint Statutory Auditors, depending on the scope of work undertaken by each of them, for the purpose of audit of the Bank's standalone financial statements , subject to the approval of the Members. The fees payable does not materially change except to the extent of an annual increase compared to the previous year's payment. Fees towards any other certifications, which may arise under the applicable laws and regulations from time to time, shall be paid based on the recommendation of the Audit Committee and approval of the Board of Directors.

Based on the recommendation of the Audit Committee, the Board recommends the below:

- Appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, as one of the joint statutory auditor along with M/s. Suri & Co., Chartered Accountants, as set out in the resolution in Item no. 3 of this Notice for approval of the Members as an Ordinary resolution.
- Remuneration to the Joint Statutory Auditors for Financial Year 2026-27, as set out in the resolution in Item no. 4 of this Notice for approval of the Members as an Ordinary resolution.

As per the applicable provisions of law, including the RBI Circulars and the Banking Regulation Act, 1949, the appointment of Joint Statutory Auditors would be subject to the approval of the RBI every year.

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 resolutions set out at item Nos. 3 and 4 of this Notice except to the extent of their shareholding.

Item Nos. 5 & 6:

To re-appoint Mr. Vasudevan P N (DIN: 01550885) as the Managing Director & Chief Executive Officer

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. Pursuant to the approvals of RBI from time to time, Mr. Vasudevan P N has been functioning as the Managing Director & Chief Executive Officer of the Bank since September 04, 2016. The current tenure of Mr. Vasudevan P N will end on July 22, 2026.

The Board of Directors of the Bank on the basis of the recommendations of the Nomination and Remuneration Committee ("NRC") recommended the re-appointment of Mr. Vasudevan P N as the Managing Director & CEO of the Bank for a period of three (3) years, effective from July 23, 2026 up to July 22, 2029, on such terms and conditions detailed below, subject to the approval of the RBI and Members of the Bank. RBI had accorded its approval for the aforesaid appointment vide its letter dated April 23, 2026.

The Nomination and Remuneration Committee and the Board has also reviewed and confirmed that:

- Mr. Vasudevan P N fulfils the conditions relating to his appointment as prescribed under the relevant provisions of the Act, the relevant rules notified thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Banking Regulation Act, 1949 and the guidelines issued by the RBI, in this regard, from time to time;
- He is not debarred from holding the office of director by virtue of any order by SEBI or any other authority;
- He has the requisite qualification, skills, experience and expertise in his functional area, viz., Banking, Finance, Law, which are beneficial to the Bank.

The brief profile and other requisite information of Mr. Vasudevan P N pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 are annexed to this notice.

Appointment of Mr. Vasudevan P N is in compliance with the provisions of Act, Listing Regulations and Section 10A of the Banking Regulation Act, 1949, in particular, on account of Mr. Vasudevan P N having the requisite experience/expertise required under Section 10A(2)(A) of the BR Act.

In terms of the RBI Circular on (Small Finance Banks - Governance) Directions, 2025 and Compensation

Remuneration and Benefits Policy of the Bank, the compensation structure of Whole-Time Director (WTD) / Managing Director & Chief Executive Officer (MD & CEO) / Material Risk Takers (MRT) shall comprise of Fixed pay & Variable pay.

The RBI Guidelines explicitly lay down that the Variable Pay component is a part of the overall compensation package and such variable pay shall be at least 100% with a maximum ceiling limit of 300% of fixed pay. In adherence with the guidelines, Nomination and Remuneration Committee would evaluate the performance of the Whole-Time Director on the performance based metrics (both Quantitative and Qualitative factors).

Based on the assessment of performance, the amount / form of variable pay payable shall be determined by the NRC within the maximum limit subject to the approval of Board of Directors and RBI. The variable pay arrangements shall be subject to malus and claw back provisions as well as be deferred over a period of such years in line with the Bank's Remuneration and Benefits Policy, RBI's Compensation Guidelines and approval from RBI. Further, the Members are requested to authorize the Board (also deemed to include Nomination and Remuneration Committee of the board) to alter, modify, vary or increase the amount of remuneration, and perquisites, payable or to be paid to Mr. Vasudevan P N, during his tenure as MD & CEO of the Bank, to the extent the NRC and Board may consider appropriate and as approved by the RBI on an application made by the Bank and subject to compliance of the provisions of the Act, the BR Act and applicable regulations.

During his tenure, Mr. Vasudevan P N shall be liable to retire by rotation, in terms of the provisions of Section 152(6) of the Act. The remuneration for FY 2025-26 and the proposed remuneration for FY 2026-27, subject to approval of RBI are provided below:

Component	FY 2025-2026	FY 2026-2027
Fixed Pay (including retirals and perquisites)	₹ 2,63,94,000/- (approved by RBI vide letter dated October 16, 2025)	₹ 2,79,77,640/-
Variable Pay	₹ 2,49,42,330/-*	₹ 4,19,66,460/-**

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

***30% of this Variable Pay will be payable in cash and the balance 70% to be through ESOPs, in compliance with applicable regulations.*

The Board recommends the Ordinary Resolutions set forth in item nos. 5 & 6 of this Notice 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 resolutions set out at item nos. 5 & 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 resolutions set out at item Nos. 5 and 6 of this Notice except to the extent of their shareholding.

Item No. 7: To fix the remuneration payable to Mr. Balaji Nuthalapadi (DIN: 08198456) as the Whole-Time Director (Executive Director)

Mr. Balaji Nuthalapadi was appointed as the Whole-Time Director (Executive Director) of the Bank with effect from March 29, 2025 for a period of three (3) years from the date of taking charge in accordance with the approval accorded by the Reserve Bank of India vide its letter dated December 11, 2024.

In terms of the RBI (Small Finance Banks - Governance) Directions, 2025 and Remuneration and Benefits Policy of the Bank, the compensation structure of Whole-Time Director (WTD) / Managing Director & Chief Executive Officer (MD & CEO) / Material Risk Takers (MRT) shall comprise of Fixed pay & Variable pay.

The RBI Guidelines explicitly lay down that the Variable Pay component is a part of the overall compensation package and such variable pay shall be at least 100% with a maximum ceiling limit of 300% of fixed pay. In adherence with the guidelines, Nomination and Remuneration Committee would evaluate the performance of the Whole-Time Director on the performance based metrics (both Quantitative and Qualitative factors).

Based on the assessment of performance, the amount / form of variable pay payable shall be determined by the NRC within the maximum limit subject to the approval of Board of Directors and RBI. The variable pay arrangements shall be subject to malus and clawback provisions as well as be deferred over a period of such years in line with the Bank's Remuneration and Benefits Policy, RBI's Compensation Guidelines and approval from RBI. Further, the Members are requested to authorise the Board (also deemed to include Nomination and Remuneration Committee of the board) to alter, modify, vary or increase the amount of remuneration, and perquisites, payable or to be paid to Mr. Balaji Nuthalapadi, during his tenure as ED of the Bank, to the extent the NRC and Board may consider appropriate and as approved by the RBI on an application made by the Bank and subject to compliance of the provisions of the Act, the BR Act and applicable regulations.

During his tenure, Mr. Balaji Nuthalapadi shall be liable to retire by rotation, in terms of the provisions of Section 152(6) of the Act. The remuneration for the FY 2025-26 and the proposed remuneration for FY 2026-27, subject to approval of RBI are provided below:

Component	FY 2025-2026	FY 2026-2027
Fixed Pay(including retirals and perquisites)	₹ 2,40,00,000/- (approved by RBI vide letter dated December 11, 2024)	₹ 2,54,40,000/-
Variable Pay*	₹ 1,68,00,000/-	₹ 2,54,40,000/-

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

The remuneration shall be within the framework of the provisions of the Companies Act, 2013 and applicable regulatory guidelines.

The Board recommends the Ordinary Resolution set forth in Item No. 7 of this Notice for approval of the Members.

Interest of Directors and KMP

Mr. Balaji Nuthalapadi and his relatives may be deemed to be concerned or interested in the resolution set out at Item no. 7 of this Notice. 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. 7 of this Notice except to the extent of their shareholding.

Item No. 8: To re-appoint Ms. Geeta Dutta Goel (DIN: 02277155) as an Independent Director

Ms. Geeta Dutta Goel was appointed as an Independent Director of the Bank for a period of five years effective from December 27, 2021. 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. Ms. Geeta Dutta Goel would complete five years as an Independent Director of the Bank on December 26, 2026. Hence, her re-appointment is proposed for another three years from December 27, 2026 to December 26, 2029.

The Board, based on the performance evaluation is of the view that the qualification, experience, stature and standing of Ms. Geeta Dutta Goel in the financial sector would add significant value to the Bank, particularly in monitoring and driving its CSR initiatives, as well as in providing analytical perspectives on banking related matters. Further, given her experience and valuable contributions, the continued association of Ms. Geeta Dutta Goel as an Independent Director on the Board of the Bank and as a member of various Board Committees 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, Ms. Geeta Dutta Goel has furnished her consent for her re-appointment and the Bank has received a declaration from Ms. Geeta Dutta Goel to the effect that she 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"). Ms. Geeta Dutta Goel has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge the duties as stipulated under Regulation 25(8) of SEBI Listing Regulations. Ms. Geeta Dutta Goel is not disqualified from being appointed as a Director in terms of Section 164 of the Act and she 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. Also under Section 149 (13) of the Act, she will not be liable to retire by rotation.

The performance evaluation of Ms. Geeta Dutta Goel was conducted in accordance with the criteria approved by the Nomination and Remuneration Committee. The evaluation indicated that she demonstrates professionalism, integrity and active participation, contributing effectively to the Board and its Committees. The Board, based on the performance evaluation and further due diligence, considers that given her background, experience and contribution, the continued association of Ms. Geeta Dutta Goel 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.

In the opinion of the Board, Ms. Geeta Dutta Goel 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. Her brief profile along with the information required to be furnished under Regulation 36 of SEBI Listing Regulations and Secretarial Standards-2 is annexed.

The Board recommends the Special Resolution set forth in Item No. 8 of this Notice for approval of the Members.

Interest of Directors and KMP

Ms. Geeta Dutta Goel and her relatives may be deemed to be concerned or interested in the Resolution set out at Item No. 8 of this Notice.

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. 8 of this Notice except to the extent of their shareholding.

Item No. 9: 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 ₹ 500 crores (Rupees Five Hundred Crores Only), for its general corporate purposes, 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 ₹ 500 Crores (Rupees Five Hundred 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.9 of this Notice except to the extent of their shareholding.

Item No. 10: 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 ₹ 1250 crores

The Bank foresees growth opportunities in its existing market and continues to evaluate options to improve its market share and accelerate its business growth. Towards this, the Bank continues to require capital for achieving such growth and expansion. Accordingly, our Bank intends to undertake a capital raise by way of one or more Qualified Institutions Placement to eligible investors through an issuance of equity shares or other eligible securities and the Bank shall utilize the proceeds from the QIP (after adjustment of expenses related to the QIP, if any) ("Net Proceeds") towards augmenting the Bank's Tier I capital base to meet the Bank's future capital requirement.

Accordingly, as approved by the Board of directors of the Bank ("Board") at their meeting held on June 24, 2026 and in order to fulfil the aforesaid objects of the Bank, it is hereby proposed to have an enabling approval for raising funds by way of issuance of equity shares of face value ₹ 10/- each ("Equity Shares"), and / or other securities convertible into Equity Shares (including warrants, or otherwise), (collectively referred to as "Securities") or any combination thereof, in one or more tranches, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the BRLM(s) and/or other advisor(s) or otherwise, for an aggregate amount up to ₹ 1250 crores (Rupees One Thousand Two Hundred Fifty only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of one or more Qualified Institutions Placement ('QIP') in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ('ICDR Regulations'), or through any other permissible mode and/or combination thereof as may be considered appropriate under applicable law. The issue of Securities may be at such price, as may be determined, in accordance with the pricing formula prescribed under Part IV of Chapter VI of the SEBI ICDR Regulation or at a premium or discount to such price determined in accordance with the pricing formula as may be permitted under applicable law and to such classes of investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any other relevant factors and wherever necessary, in consultation with BRLM(s) and other agencies that may be appointed by the Bank, subject to the ICDR Regulations, the Companies Act, 2013 and other applicable guidelines, notifications, rules and regulations.

The proposal, therefore, seeks to confer upon the Board or the Committee duly authorised by the Board the absolute discretion and adequate flexibility to determine the terms of the said issue of securities including but not limited to the identification of the proposed investors in the QIP and the quantum of securities or combination thereof to be issued and allotted to each such investor in accordance with ICDR Regulations, the Companies Act, 2013 and other applicable guidelines, notifications, rules and regulations in consultation with book running lead manager(s) and/or other advisors appointed and such other authorities and agencies as may be required to be consulted by the Bank.

The Board (including any duly authorized committee thereof) may at their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Bank. The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges"), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies, Chennai, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time.

The Issue is made through a qualified institutions placement shall be undertaken in terms of the SEBI ICDR Regulations as follows:

i. the allotment of Securities shall only be made to Qualified Institutional Buyers ("QIBs") as defined under ICDR Regulations;

ii. the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution in accordance with the ICDR Regulations and applicable laws;

iii. a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;

iv. the "relevant date" for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP of equity shares as eligible securities; and in case eligible securities are eligible convertible securities, then either the date of the meeting in which the Board or a duly authorized committee of the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the equity shares as provided under the ICDR Regulations;

vi. An issuer shall be eligible to make a Qualified Institutions Placement if any of its directors is not a fugitive economic offender.

vii. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the ICDR Regulations. It is clarified that Qualified Institutional Buyers belonging to the same group or who are under same control shall be deemed to be a single allottee;

viii. the Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid up basis;

ix. a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law to the floor price may be provided in terms of the SEBI ICDR Regulations;

x. the Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time; and

xi. The Bank shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

Further, Section 62(1)(c) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further equity shares, such further equity shares shall be offered to the existing members of such company and to any persons other than the existing members of the company provided that the Members of the Bank approve the issue of such equity shares by way of a special resolution. Since the special resolution proposed in the business of the notice may result in the issuance of Equity Shares of the Bank to the existing members of the Bank and to persons other than existing members of the Bank, approval of the members of the Bank is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of ICDR Regulations.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013 only after receipt of prior approval of its members by way of a Special Resolution. Consent of the members would therefore be necessary pursuant to the aforementioned provisions of the Companies Act, 2013 read with applicable provisions of the ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for issuance of Securities.

The Equity Shares allotted pursuant to the issue shall rank in all respects pari- passu with the existing Equity Shares of the Bank. The Equity Shares to be allotted would be listed on the Stock Exchanges. The offer/issue/allotment would be subject to the availability of regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The approval of the Members of the Bank is sought to enable the Board to decide on the issuance of securities to the extent and in manner stated in the aforesaid Special resolution without the need for any fresh approval from the Members of the Bank in this regard The Board or the Committee duly authorised by the Board, in this regard, will have sole and absolute discretion to determine the terms of the said issue of Securities, including the exact price, proportion and timing of such issue, selection of Investors to whom Securities are proposed to be offered, issued and allotted, based on an analysis of the specific requirements.

Interest of Directors and KMP

None of the Directors or Key Managerial Personnel of the Bank or their relatives as per Section 2(77) of the Companies Act, 2013 are directly or indirectly concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Bank.

The proposed QIP is in the interest of the Bank and the Board recommends the aforesaid resolution for the approval of the Members as a special resolution.

Details of Directors seeking Appointment / 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. Vasudevan P N	Mr. Balaji Nuthalapadi	Ms. Geeta Dutta Goel
DIN	01550885	08198456	02277155
Age	63 years	53 years	52 years
Qualifications	B.Sc., (Physics), BL & ACS	B.Sc., (Chemistry), MBA	B.com (Hons.), PG Diploma in Management
Brief Profile/Experience	Refer Annexure I	Refer Annexure I	Refer Annexure I
Nature of expertise in specific functional area	(i) Banking (ii) Finance (iii) Law	Banking	(i) Accountancy (ii) Economics (iii) Finance (iv) Human Resources (v) Business Management (vi) Microfinance (vii) Philanthropy (viii) Venture capital investment (ix) NBFC sector

Name of the Director	Mr. Vasudevan P N	Mr. Balaji Nuthalapadi	Ms. Geeta Dutta Goel
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	Mr. Balaji Nuthalapadi is not related to any Directors and Key Managerial Personnel of the Bank	Ms. Geeta Dutta Goel 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	None	• Independent Director in Home First Finance Company India Limited and Niva Bupa Health Insurance Company Limited • Member of Audit Committee in Home First Finance Company India Limited • Member of Audit Committee and Stakeholder Relationship Committee in Niva Bupa Health Insurance Company Limited
Details of remuneration last drawn	₹ 2.64 Crores	₹ 2.40 Crores	₹ 10 Lakhs
Date of first appointment on the Board	September 04, 2016	March 29, 2025	December 27, 2021
Shareholding in the Company including shareholding as a beneficial owner	Self: 2,84,755 Relatives: 29,05,229	Nil	Nil
Board Membership of other companies	Nil	Nil	**Independent Director** - Home First Finance Company India Limited, NivaBupa Health Insurance Company Limited and Eldeco infrastructure and properties limited **Nominee Director** - Finreach solutions private limited **Director** - CIIE initiatives **Promoter Director** - Translation Endeavors Private Limited
Chairmanship/Membership of the Committees of other Boards	Nil	Nil	• Member of Audit Committee in Home First Finance Company India Limited • Member of Audit Committee and Stakeholder Relationship Committee in Niva Bupa Health Insurance Company Limited
Number of Board meetings attended during 2025-2026	12/12	11/12	11/12
Listed Entities from which the Director has resigned as Director in past 3 years	None	None	None
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements (applicable for Independent Directors)	NA	NA	Skills and capabilities required for the role are as per the Bank's policy for Selection and Appointment of Directors. Ms. Geeta Dutta Goel has the relevant experience and expertise as mentioned in her brief profile.

Annexure I

Brief Profile of Mr. Vasudevan P N (MD & CEO)

Mr. Vasudevan Pathangi Narasimhan is the MD & 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 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 Small Finance Bank Limited from its inception in 2016.

Brief Profile of Ms. Geeta Dutta Goel, Independent Director

Ms. Geeta Dutta Goel holds a Bachelor's Degree in Commerce (Hons.) and has completed Post Graduate Diploma in Management from IIM, Ahmedabad. She is a finance professional who served as Country Director at Michael & Susan Dell Foundation, India, where she led strategy and implementation across the focus area of education and family economic stability. She was selected as the Chairperson of India's Impact Investors Council from 2017-2019, and has served on multiple responsible finance taskforces with the World Bank's Consultative Group to Alleviate Poverty. Prior to this, she worked for 12 years with PricewaterhouseCoopers in their Financial advisory Practice, advising on mergers, acquisitions, joint ventures, valuations and private equity. She brings a strong understanding of FinTech and CSR, with extensive experience in the social and impact sectors and possesses a broad understanding of the BFSI landscape in India. Currently, she is as an Independent Director on the Board of Home First Finance Company India Limited, Niva Bupa Health Insurance Company Limited and Eldeco Infrastructure and Properties Limited and Director at CIIE Initiatives, Nominee Director at Finreach Solutions Private Limited and Promoter Director at Translation Endeavors Private Limited. She is also the Governing Council Member of Mobile Creches for Children of Working Mothers (Society) and Ashoka University

Brief Profile of Mr. Balaji Nuthalapadi, Executive Director (Whole-Time Director)

Mr. Balaji Nuthalapadi (DIN:08198456) has completed his post-graduation from the Indian Institute of Management (IIM) Ahmedabad (1996). Mr. Balaji Nuthalapadi started his career with Citi in 1997 in Chennai and has since worked in several assignments across markets in APAC and EMEA. He has over 28 years of continuous experience with CITI. Mr. Balaji Nuthalapadi took over as Head of South Asia Operations & Technology (O&T), effective May 2021 and in his latest assignment, from September 2024, was the Managing Director & Head, Centralized Controls Testing Execution, CITI. His experience encompasses the following areas viz., Global Capability Center leadership, Operations and Technology, P&L Leadership, Sales & Wealth Management, Banking Product, Re-engineering, Retail Asset Sales and Relationship Management. Mr. Balaji Nuthalapadi is also a Member of the Tamilnadu State Fintech Governing Council.

Integrated Annual Report

2025-26

Equitas Small Finance Bank

FROM **RESILIENCE** TO **MOMENTUM**

Across the Pages

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/quarterly/monthly average items.

Investor Information

Market Capitalisation (as on March 31, 2026)	:	₹ 5,896 Crore
CIN	:	L65191TN1993PLC025280
BSE Code	:	543243
NSE Symbol	:	EQUITASBNK
ISIN	:	INE063P01018
AGM Date	:	September 9, 2026
AGM Venue	:	Virtual

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.

About the Report

Reporting with Purpose. Progressing with Momentum.

At Equitas Small Finance Bank, we believe meaningful reporting goes beyond presenting financial outcomes; it demonstrates how strategy, execution and responsible governance come together to create sustainable value.

As we move 'From Resilience to Momentum', this Integrated Annual Report reflects the next phase of our journey. It presents a connected view of our operating environment, business model, strategic priorities, stakeholder relationships and financial performance, enabling our stakeholders to understand not only what we achieved during 2025–26, but how we are building a stronger, more diversified and future-ready Bank.

Reporting Principles

This Integrated Annual Report has been prepared in accordance with:

- International Integrated Reporting Framework principles
- Business Responsibility and Sustainability Reporting (BRSR) requirements prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations
- Applicable provisions of the Companies Act, 2013
- Indian Accounting Standards (Ind AS) and other applicable regulatory requirements

Reporting Period

This Report covers the financial and non-financial performance of Equitas Small Finance Bank Limited for the period from April 1, 2025 to March 31, 2026, unless otherwise stated.

Reporting Scope & Boundary

The Report presents a comprehensive view of Equitas Small Finance Bank Limited's operations and covers material information relating to:

- Business model and operating context
- Strategy and growth priorities
- Financial and operational performance
- Risk management and governance
- Customer, employee and stakeholder engagement
- Environmental, Social and Governance (ESG) initiatives
- Future outlook and long-term value creation

Material Matters

The content of this Report focuses on matters that are most significant to our stakeholders and our long-term success. These have been determined through ongoing engagement with stakeholders, leadership deliberations and an assessment of the external environment, business priorities and emerging opportunities.

Management Responsibility

The preparation of this Report is the collective responsibility of the Bank's leadership and functional teams. Senior Management has reviewed the information contained herein and confirms that it presents a balanced and comprehensive account of the Bank's performance, strategy and material matters. The Report has been reviewed and approved by the Board of Directors.

Independent Assurance

The financial statements included in this Report have been audited by the Statutory Auditors in accordance with the applicable accounting standards and regulatory requirements. Selected non-financial disclosures have been independently assured, wherever applicable.

Forward-Looking Statements

Certain statements contained in this Report are forward-looking in nature and reflect the Bank's current expectations regarding future events and business performance. Actual results may differ materially owing to changes in economic conditions, regulatory developments, technological advancements, competitive dynamics and other factors beyond the Bank's control.

Navigating the Report

The Questions We Answer

Every chapter in this Report answers a key question about our journey from resilience to momentum. Explore the sections below to discover how our strategy, business model and disciplined execution are shaping the next phase of Equitas' growth.

What defines Equitas' next phase of growth

Where to Look

- Theme Introduction
- Chairman's Message
- MD & CEO's Message
- The Fundamentals in Focus
- Strategies & Growth Roadmap

What You'll Discover

- The strategic thinking behind the year's theme
- Leadership's perspective on the evolving banking landscape
- The priorities shaping our future direction
- The roadmap driving long-term, sustainable growth

How are we transforming resilience into momentum

Where to Look

- Theme Introduction
- Chairman's Message
- MD & CEO's Message
- Our Strategy
- Fortify
- Fund

What You'll Discover

- How a resilient foundation is enabling accelerated growth
- The strategic choices strengthening our franchise
- Key priorities driving business transformation
- The next phase of our evolution

What makes Equitas a stronger and more resilient bank

Where to Look

- Equitas at a Glance
- Our Presence
- Growth Journey
- Financial Excellence
- Value Creation Model

What You'll Discover

- Our purpose, philosophy and business model
- The strengths that differentiate our franchise
- Our diversified business portfolio
- How we create sustainable value

How are we building a bank for tomorrow

Where to Look

- Strategies & Growth Roadmap
- Innovate
- Ascend
- Financial Excellence

What You'll Discover

- Investments shaping our future readiness
- Technology-enabled transformation
- Disciplined capital allocation supporting growth

How are we creating value beyond banking

Where to Look

- ESG
- Customer-Centric Banking
- Governance
- Investor Relations
- Awards & Recognition

What You'll Discover

- Our approach to responsible banking
- ESG priorities and governance practices
- Customer and community impact
- Long-term stakeholder value creation

How are we creating enduring value for every stakeholder

Where to Look

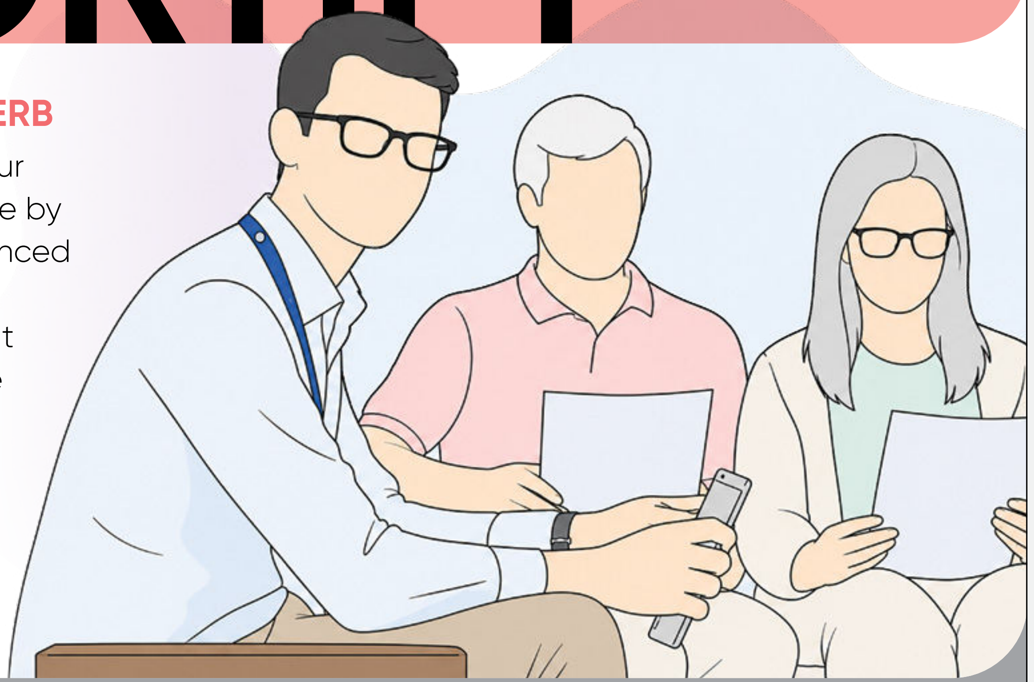
- Value Creation Model
- Corporate Overview
- Strategies & Growth Roadmap
- ESG
- Governance
- Financial Statements

What You'll Discover

- How our business model creates value
- The connection between strategy and execution
- Responsible governance and sustainability
- Long-term value for customers, employees, investors and communities

More on Page 36

FORTIFY



FORTIFY → VERB

To strengthen our lending franchise by creating a balanced portfolio that supports resilient and sustainable growth.

Fortifying the bank has meant fortifying the portfolio behind it. Over the years, we have expanded secured businesses, sharpened underwriting and built multiple lending engines, taking secured advances to ~88% of total advances. This discipline is most evident in the year under review: with microfinance calibrated to ~10% of advances, sector-wide stress during the year left our book largely undisturbed, rather than exposed to a downturn.

~88% Secured Advances

40% Advances Anchored by Small Business Loans

~10% Microfinance Exposure Excluding Direct Assignment

More on Page 38

FUND

FUND → VERB

To broaden our liability franchise through deeper customer relationships and a diversified funding base.

Our liability strategy has moved beyond deposit mobilisation towards building lasting customer relationships across every segment we serve. Combining relationship banking, differentiated propositions such as the House of ELITE and digital capabilities, we are creating a funding franchise organised around customer segments rather than products. The result is greater granularity, stability and engagement across our deposit base.

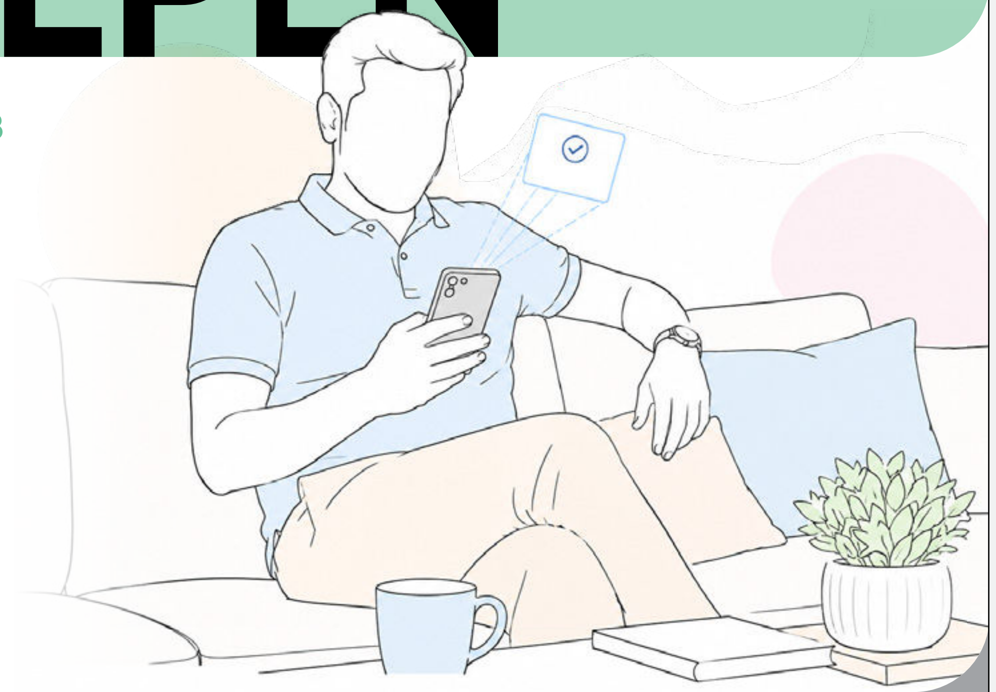
29,000+ Family Banking Relationships

68% Retail Deposits

26% CASA Ratio

More on Page 42

DEEPEN



DEEPEN → VERB

To expand every customer relationship by increasing our relevance across their financial journey.

Every customer relationship holds more potential than a single product realises. As our customer franchise grows, we are widening our ecosystem across payments, credit cards, investments, insurance and wealth solutions, enabling customers to engage with us through every stage of their financial journey. Every new proposition increases lifetime value and reinforces our standing as a trusted relationship bank.

3
Credit Card Variants

15
Insurance Partners

More on Page 48

ASCEND

ASCEND → VERB

To build a future-ready institution by elevating the capabilities that enable sustainable growth.

Becoming a future-ready, mass retail bank requires more than growing the balance sheet; it requires disciplined investment in technology, governance, data and digital capabilities. We continued to reinforce these foundations during the year, improving how we serve customers, enhancing operational agility and building a scalable, secure and resilient platform. These capabilities position the Bank with greater precision for its next phase of growth.

~69%
Digital Onboarding Penetration

~30%
Digital Servicing Penetration

6
Enterprise AI Initiatives

FROM **RESILIENCE** TO MOMENTUM

At Equitas, we believe momentum endures only when resilience runs through the institution behind it. That belief shaped our priorities during the year, as we focused on building a stronger banking franchise, one that is better balanced, more diversified and equipped to deliver sustainable performance through changing business cycles.

Every strategic decision was guided by this direction. We continued to strengthen our lending portfolio, taking our secured advances to ~88% of total advances, while building our liability franchise through relationship-led banking, with 68% of deposits contributed by retail customers. This diversification also meant microfinance, now just ~10% of our advances, absorbed the sector's stress without it spreading across our balance sheet. New lending businesses and customer propositions broadened our growth drivers, while we sharpened risk management and invested in technology and digital capabilities that enhance customer experience while improving execution across the organisation.

These priorities reshaped the character of our business. Growth became more diversified, funding became more granular, customer relationships became deeper and our institutional capabilities became stronger. Together, they created a franchise designed not only to navigate changing conditions but to build on them with confidence.

From Resilience to Momentum reflects this defining shift. It represents a year in which we transformed resilience from a protective strength into a source of sustained progress, laying the foundation for our continued evolution into a broader, relationship-led financial institution.

Message from the Chairman

Leading with Purpose and Responsibility

Anil Kumar Sharma
Chairman

Dear Shareholders,

At Equitas, we have always believed that banking does not mean just facilitating transactions and that access to formal financial services can empower individuals, strengthen enterprises and create opportunities for communities to prosper. That belief has remained unchanged through the years even as the scale and breadth of our operations have evolved to meet the growing needs of our customers from access to credit and savings to payments, investments, and other financial products. Our role is to grow mutually, while preserving the trust, prudence and purpose that have defined Equitas' journey.

2025–26 tested the discipline, adaptability and resilience of banking institutions. For us at Equitas, it was also a year that validated the strategic choices we had made over the past several years. The operating environment remained challenging, particularly for banks with a strong financial inclusion franchise. Stress across select customer segments, evolving repayment behaviour and a changing regulatory landscape required caution, recalibration and disciplined execution. We responded to the challenge by strengthening provisioning, improving portfolio quality, reinforcing risk management and continuing our transition towards a more secured, diversified and relationship-led banking model.

Resilience in a Volatile World

In the backdrop of geopolitical conflicts, shifting trade relationships, and persistent policy uncertainty, with the global economy growing by 3.4% and inflation moderating to 4.1% during 2024–25, India maintained its position as the world's fastest-growing major economy, supported by the continued strength of domestic consumption and public investments during 2025–26. With real GDP estimated to have grown by 7.7%, and inflation staying largely benign through the year at around 3.5%, the Reserve Bank of India (RBI) effected a cumulative 125 basis points cut in its policy rate during the year, which increased credit uptake and consumption boost. The global credit rating agency S&P upgraded India's sovereign rating for the first time in nearly two decades, reinforcing country's improving global standing.

The Banking Sector too performed well by expanding the deposit growth by about 12%, credit growth by around 16%, while improving asset quality with systemic Gross NPA ratio declining to nearly 2.3%, and maintaining a robust capital adequacy of around 17.2%.

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Strengthening Foundations

At Equitas, 2025–26 was a year of consolidation, recalibration and renewed momentum. Our focus remained on building a stronger and more resilient franchise by preserving asset quality, strengthening the balance sheet and enhancing the quality of our business. As the year progressed, the benefits of this disciplined approach became increasingly evident.

Following a loss of ₹ 224 Crore in the first quarter, we delivered a sustained turnaround, culminating in our highest-ever quarterly Profit After Tax of ₹ 213 Crore in the fourth quarter and reporting a full-year profit of ₹ 103 Crore. Business momentum strengthened steadily through the year, with gross advances crossing ₹ 46,000 Crore and Gross NPAs improving to 2.49%. This performance was underpinned by stronger collection efficiencies, lower net slippages, moderated credit costs, and disciplined execution across the franchise.

A significant part of this progress came from the continued diversification of our lending franchise which has been consciously evolved from a predominantly microfinance-led portfolio into a more balanced and diversified banking franchise with a stronger secured asset base. While Microfinance remains an integral part of our purpose-led legacy, our financial inclusion commitment today extends well beyond this business through products such as Small Business Loans, Vehicle Finance and Affordable Housing, which continue to empower underserved customers. As a result, Microfinance now contributes around 10% of our advances, creating a more diversified and resilient portfolio. Small Business Loans remain central to our franchise, while Vehicle Finance, Affordable Housing Finance, MSME Lending and Gold Loans are strengthening our secured and complementary business engines. With nearly 88% of our advances now secured, we are better positioned to support customers while maintaining portfolio quality and resilience.

An equally important pillar of this evolution has been the continued strengthening of our liability franchise. Our focus remains on building a stable, granular and diversified funding base. Through sharper customer segmentation, differentiated product propositions, premium banking initiatives and deeper relationship-led engagement, we continue to strengthen our ability to attract and retain customers.

Equally important has been the commitment and dedication of our over 28,000 dedicated employees serving in 1,060 banking outlets across 16 States and 2 Union Territories. Across every branch, office and digital touchpoint, our employees continued to serve customers with professionalism, empathy and purpose, contributing to our resilience, adaptability and unwavering commitment to our values. I extend my sincerest appreciation to the leadership team and every member of Team Equitas for their strategic clarity, disciplined execution, and invaluable contribution to our journey.

Enduring institutions are built on trust. Markets will evolve, technologies will advance and customer expectations will continue to rise, but integrity, prudent governance, disciplined, dedicated and committed leadership will continue to be the cornerstones of sustainable value creation. The Board worked closely with the management team throughout the year to ensure that every strategic decision strengthened the Bank's long-term resilience while upholding the highest standards of governance, transparency and accountability.

Preparing for Tomorrow

The banking industry is entering a new era where technology, data and analytics are redefining the way financial services are delivered, monitored and availed of. At Equitas, we view these developments as opportunities to build a more agile, intelligent and customer-centric institution. Our investments in digital platforms, analytics and automation are helping us simplify customer journeys, enhance credit assessment, improve portfolio monitoring and strengthen enterprise-wide risk management. While technology enables us to serve customers more efficiently, every digital capability is designed to enhance the ease and confidence of the customers.

As we prepare for the future, our priorities are clear: deepening our secured lending franchise, strengthening our liability profile, improving operating efficiency and maintaining disciplined credit costs to deliver sustainable, profitable growth, while improving access to financial services and following responsible banking practices.

Creating Enduring Value

India's aspiration to become a developed nation by 2047 presents an extraordinary opportunity, and a challenge, for the financial services sector. As entrepreneurship expands, digital adoption accelerates and financial participation deepens, banks will play an increasingly important role in enabling inclusive, collective economic progress. Equitas is well positioned to contribute to this journey through a diversified business model, a strengthened balance sheet and continued investments in technology, people and governance. We look to the future with confidence, optimism and a deep sense of responsibility towards every stakeholder we serve.

On behalf of the Board of Directors, I extend my heartfelt gratitude to the regulators for their guidance, our shareholders for their continued confidence, our customers for placing their trust in us, our business partners for their valued collaboration and every member of Team Equitas for their unwavering dedication and commitment.

Warm Regards,

Anil Kumar Sharma
Chairman

Managing Director & CEO's Message

Becoming the Banker of Choice

P. N. Vasudevan
Managing Director & Chief Executive Officer

Dear Shareholders,

When Equitas began its journey nearly two decades ago, we were driven by a simple belief: every individual with the determination to build a better future deserves access to formal financial services. At that time, financial inclusion was often viewed as a narrow opportunity - limited in scale and accompanied by elevated risk. We believed otherwise.

If customers were understood well, credit was extended responsibly and relationships were built on trust, financial inclusion could become both impactful and sustainable. It could create lasting value for customers, communities and shareholders alike. That conviction has shaped the institution we are today. What has evolved over the years is our understanding of financial inclusion itself.

Today, financial inclusion is no longer about providing access to credit or opening a bank account. It is about enabling economic progress. It is about helping a small entrepreneur expand a business, supporting a family in owning its first home, enabling customers to build savings, access investments and participate more confidently in the formal economy. As our customers grow, our responsibility is to grow with them.

This is where Small Finance Banks play a distinctive role. While traditional banking models are often designed for scale, Small Finance Banks are built to serve customer segments that require deeper understanding, differentiated underwriting and relationship-led engagement. While still representing a relatively small share of India's banking system, the sector addresses a vast and largely underserved market with significant headroom for growth. We believe the opportunity for institutions that combine financial inclusion with disciplined execution remains significant, and Equitas is well positioned to participate in this long-term growth story while remaining true to its founding purpose.

The opportunities before the banking sector continue to expand as formalisation, entrepreneurship, digital adoption and financial awareness reshape customer expectations. Customers today are looking beyond individual products. They expect institutions that understand their aspirations and can support them through every stage of their financial journey. For Equitas, this represents the next chapter of our evolution.

The banking industry entered 2025–26 amid a more demanding operating environment. Deposit mobilisation became increasingly competitive, funding costs remained under pressure for much of the year, regulatory expectations evolved and customer preferences continued to shift towards digital-first experiences. For Small Finance Banks, the challenge was to strengthen liability franchises, preserve asset quality and continue advancing financial inclusion while investing in technology and governance.

In such an environment, the right to win must be earned every single day through disciplined execution, continuous innovation and customer trust. This belief guided our decisions throughout 2025–26. During the year, we focused on strengthening the foundations of our franchise by deepening our liability base, diversifying our portfolio, reinforcing governance standards and advancing our technology capabilities.

Resilience to Momentum through Disciplined Execution

2025–26 was a year of transition, recalibration and franchise building for the Bank. The operating environment remained challenging, particularly during the first half of the year, as stress in the microfinance sector, intense competition for deposits and evolving regulatory expectations necessitated a cautious and prudent approach. Against this backdrop, our priorities remained clear: preserve asset quality, deepen customer relationships, maintain balance sheet resilience and build a foundation for sustainable long-term growth.

Our core secured lending businesses continued to provide stability to the franchise. Gross Advances grew by 22% year-on-year to ₹46,165 Crore, led by healthy growth in secured asset classes, with nearly 88% of the portfolio backed by tangible collateral. Small Business Loans remained the cornerstone of our franchise, contributing 40% of Gross Advances with an outstanding portfolio of ₹18,559 Crore. Vehicle Finance continued its strong performance, accounting for 23% of Gross Advances and reaching ₹10,627 Crore, while Affordable Housing Finance grew in scale and importance with an outstanding portfolio of ₹5,782 Crore, representing 13% of Gross Advances.

The evolution of our portfolio over the years has been equally important. Our deliberate focus on diversification has helped create a more balanced and resilient franchise, reducing concentration risks while improving the quality and sustainability of growth across economic cycles.

Alongside our asset franchise, we continued to make meaningful progress in our liability business. One of the key lessons from our journey has been that customers' financial needs evolve over time and our role must evolve with them. During the year, we continued to build deeper customer relationships through our focused customer engagements. We launched FCNR deposits, enhanced our NRI banking proposition following the operationalisation of our Authorised Dealer Category-I licence and introduced the House of ELITE platform by enhancing our existing ELITE proposition targeted at Mass affluent and affluent customers. Through Elite Lite, Elite and ARTHA, alongside Family Banking and other relationship-led offerings, we are building a more granular and diversified deposit franchise while creating differentiated value for customers.

The year was also marked by a conscious decision to adopt a more conservative approach towards risk recognition amidst continued stress in parts of the microfinance ecosystem. During the first quarter, we created additional one-time provisions of ₹330 Crore, comprising ₹185 Crore of additional standard asset provisions in the microfinance portfolio and ₹145 Crore towards enhanced provisioning arising from changes in provisioning norms. While this decision had a significant impact on earnings, including a loss in the first quarter, it reflected our commitment to recognising risks upfront and maintaining a prudent provisioning philosophy.

As the year progressed, collection efficiencies improved, portfolio quality stabilised and operating momentum strengthened. The benefits of the actions taken during the first half became increasingly visible, with Gross NPA improving to 2.49% and Net NPA to 0.68% as of March 31, 2026. As a result, the Bank exited 2025–26 on a significantly stronger footing. Profit After Tax for the year stood at ₹103 Crore, while Q4FY26 Profit After Tax increased to ₹213 Crore, reflecting improved profitability, lower credit costs and healthier asset quality.

Building a Digitally Intelligent Bank

As customer expectations evolve, technology is becoming an increasingly important enabler of inclusive banking. However, technology creates value only when it makes banking simpler, more accessible and more convenient for customers.

Over the past few years, we have worked consistently towards improving the Bank's Digital Quotient by embedding digital capabilities across the customer journey. Whether it is customer onboarding, credit assessment, servicing or collections, our objective has been to combine technology with sound banking practices to deliver a superior customer experience while improving operational efficiency.

During the year, we continued to advance this journey through Equitas 2.0 by expanding the use of analytics, automation and data-driven decision-making across the organisation. These initiatives are helping improve turnaround times, strengthen risk management, enhance service quality and enable more meaningful customer engagement.

With a significant part of our core technology investments now behind us, our focus is increasingly shifting towards deriving greater value from these investments, improving productivity and building a more agile and scalable institution.

Importantly, we view technology as an enabler of relationships rather than a substitute for them. Banking remains a business built on trust, empathy and understanding. Technology simply allows us to deliver these values with greater consistency, efficiency and reach.

Capital Strength and Growth Readiness

The Bank continues to maintain a strong capital position, with a Capital Adequacy Ratio (CRAR) of 20.31% as of March 31, 2026, providing a solid foundation to support future growth.

In June 2026, the Board proposed an enabling resolution to raise up to ₹1,250 Crore of equity capital, subject to shareholders' approval. The Bank is presently well capitalised and would utilise this flexibility at an appropriate time, based on business requirements and in the best interests of existing shareholders.

Beyond Banking, beyond Business

At Equitas, we have always believed responsible banking is about creating value not only for customers and shareholders, but also for the communities we serve. This belief continues to guide our Beyond Banking philosophy.

During the year, we continued to invest in education, livelihood development, healthcare and social inclusion, taking our cumulative outreach to over 72,000 women through skill development initiatives, facilitating employment for more than 35,000 individuals and restoring sight to more than 43,000 beneficiaries through free cataract surgeries. While these numbers are encouraging, what truly matters is the positive and lasting change these initiatives create in people's lives.

During the year, our healthcare initiatives also gained further momentum through the Sringeri Sharada Equitas Hospital, which continued to expand access to quality and affordable cancer care. The hospital was recognised as the Best in Oncology (under 100 beds category) by CII Tamil Nadu and as the Best Emerging Hospital of the Year (North Zone) by the Association of Healthcare Providers of India – Tamil Nadu. We expanded our outreach through oncology consultation services across multiple locations and, in partnership with the Indian Cancer Society and Rotary Club of Madras Magnum, conducted cancer screening camps that benefited over 1,700 individuals. Over the year, the hospital provided more than 27,000 outpatient consultations, over 7,700 inpatient admissions and supported thousands of patients through chemotherapy, surgery and radiation therapy, with a significant proportion of treatments delivered under government-sponsored healthcare schemes.

Sustainable institutions are built on trust. This is why governance remains central to every decision we make. As we continue to grow, we remain committed to maintaining the highest standards of risk management, compliance, transparency and ethical conduct, ensuring that every business decision strengthens the long-term resilience of the institution.

Moving Forward with Confidence

Equitas is entering one of the most exciting phases of its journey.

Over the years, we have built a diversified banking franchise, strengthened our liability base, improved the quality of our assets, expanded our product suite and invested significantly in technology, governance and people. The foundations have been laid carefully and patiently.

We are now well positioned to leverage these investments to create long-term value. The resilience that helped us navigate challenges has strengthened our institution. The momentum we are building today is rooted in stronger fundamentals, deeper customer relationships, a diversified business model and a clear strategic direction.

We are entering this next phase with a healthier balance sheet, a stronger secured asset franchise, an expanding liability platform and a well-capitalised balance sheet that provides us with the flexibility to pursue growth opportunities while remaining prudent in our approach.

As we move forward, our aspiration remains clear: to become the Banker of Choice for semi-formal and informal segment of customers. We will continue to earn our right to win by staying close to our customers, adapting to change, innovating responsibly and remaining true to the values that have guided Equitas from the very beginning.

I would like to thank our customers for their trust, our shareholders for their continued confidence, our Board of Directors for their guidance, our regulators for their support and every member of Team Equitas for their dedication and commitment.

The journey of Equitas has always been guided by a simple belief—that banking can be both purposeful and profitable when built around customer trust. As we enter the next phase of our journey, we remain committed to this philosophy and to creating sustainable long-term value for all our stakeholders.

Warm Regards,

P. N. Vasudevan
Managing Director and Chief Executive Officer

Building Trust. Enabling Progress. Creating Lasting Value.

Equitas Small Finance Bank is a purpose-led financial institution committed to making banking more inclusive, accessible and meaningful. As one of India's leading small finance banks, we serve a diverse customer base through a balanced portfolio of retail assets, a growing liability franchise and a technology-enabled banking platform designed to deliver seamless customer experiences.

From empowering first-time borrowers and small entrepreneurs to serving the evolving needs of families, businesses and NRIs, our banking solutions are built around long-term relationships rather than individual transactions. Complemented by disciplined risk management, strong governance and a steadfast commitment to financial inclusion, we continue to build a resilient institution that creates sustainable value for all stakeholders.

Mission

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

Values

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

Our Guiding Philosophy

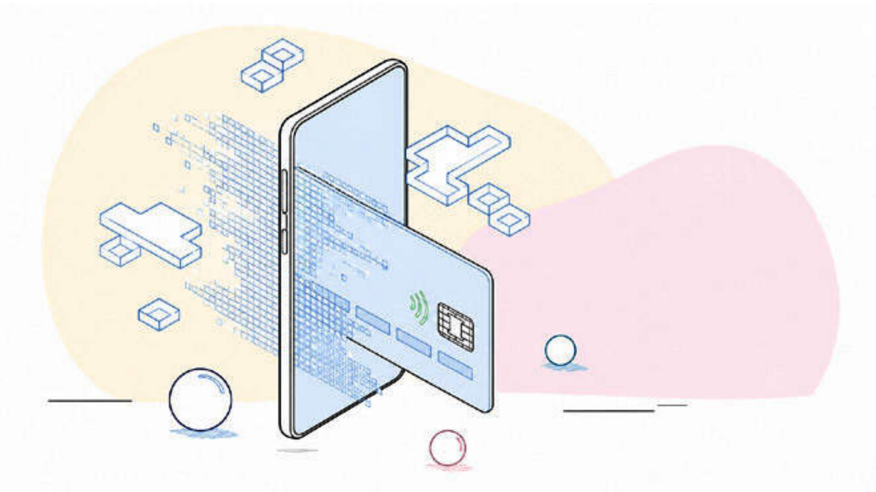
Our name embodies the principles of fairness and transparency – values that have shaped every stage of our journey. From our beginning as a microfinance institution to our evolution into one of India's leading small finance banks, we have remained committed to balancing business excellence with social responsibility.

These enduring principles continue to guide our decisions, strengthen stakeholder trust and define the way we create sustainable value. They are reflected through our Beyond Banking philosophy and the 3S framework, which together shape our purpose, culture and long-term direction.

Beyond Banking

We believe banking has the power to create meaningful change beyond financial services. Through the Equitas Development Initiatives Trust (EDIT) and Equitas Healthcare Foundation (EHF), we work to improve lives by expanding access to quality education, affordable healthcare, livelihood opportunities, skill development and social inclusion.

Flagship initiatives such as Equitas Gurukul Schools and the Sringeri Sarada Equitas Cancer Hospital reflect our long-term commitment to building stronger communities. By combining financial inclusion with social development, we create shared value for customers, communities and society while reinforcing our belief that sustainable growth and societal progress go hand in hand.



The 3S Philosophy

Our strategic direction is anchored in the principles of Stability, Sustainability and Scalability, a framework that guides every aspect of our business and enables us to build a resilient, future-ready institution.

Stability

Building resilience through a diversified, predominantly secured asset portfolio, a strong retail liability franchise and prudent risk management.

Sustainability

Creating long-term value through responsible growth, sound governance and disciplined execution.

Scalability

Expanding with purpose by leveraging technology, strengthening customer relationships and pursuing opportunities with long-term potential.

Our Competitive Edge

Deep Credit Expertise

Decades of lending experience and proprietary credit intelligence enable prudent underwriting and superior risk assessment, particularly across underserved customer segments.

Balanced Secured Portfolio

A diversified asset mix with ~88% secured advances provide resilience, portfolio stability and sustainable growth across business cycles.

Rewarding Returns

A strong retail liability franchise and diversified savings and investment solutions create value for customers while supporting a stable, funding base.

Customer First

A customer-centric approach, backed by omnichannel service and responsive support, ensures a simple, seamless and accessible banking experience.

Empowering Lives and Livelihoods

Our lending solutions empower individuals, entrepreneurs and small businesses to achieve their aspirations and build sustainable livelihoods.

Disciplined Risk Culture

Strong governance, prudent provisioning and robust risk management reinforce balance sheet strength and long-term resilience.

Bank with a Soul

Guided by our Beyond Banking philosophy, we contribute up to 5% of our profits towards social initiatives, creating meaningful impact beyond financial services.

9 Years of Trust

Nine years as a Scheduled Commercial Bank and 19 years of beyond Banking have established Equitas as a trusted partner for over 5 million customers.

Our Presence

Bringing Banking Closer. Wherever Our Customers Are.

Our network is built to make banking accessible, convenient and inclusive. Spanning 16 States and 2 Union Territories, we have established a strong regional franchise supported by a growing distribution network of branches, ATMs and Business Correspondents.

This extensive presence enables us to deepen customer relationships, mobilise deposits, expand quality lending opportunities and deliver seamless banking experiences across diverse markets.

Network at a Glance

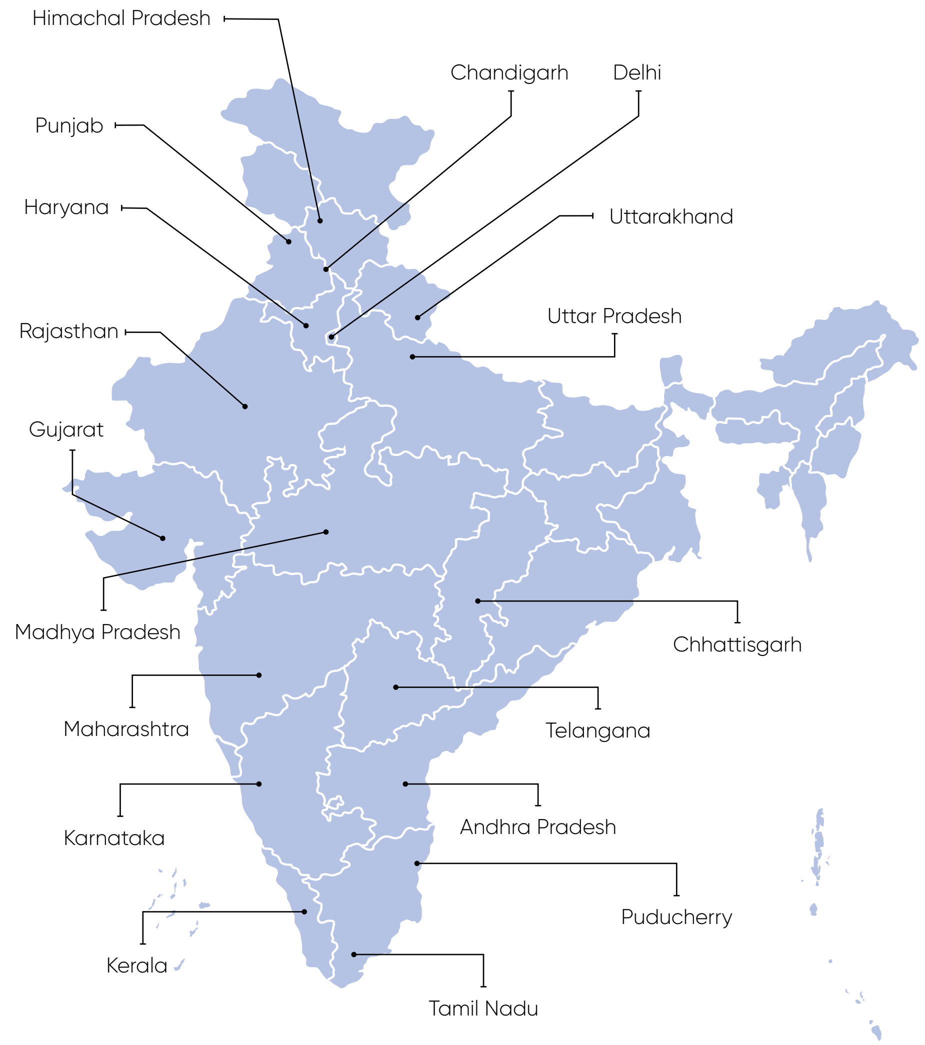
1,060
Banking Outlets

396
ATMs

145+
Countries Served through NR Banking

State/UT	Branch Network	Advances (%)	Deposits (%)
Andhra Pradesh	48	3.90	1.82
Chandigarh	1	0.01	2.67
Chhattisgarh	24	0.81	1.44
Delhi	20	1.06	8.38
Gujarat	63	4.30	5.14
Haryana	30	2.24	4.59
Himachal Pradesh	3	0.10	-
Karnataka	135	11.96	7.14
Kerala	9	1.16	1.72

State/UT	Branch Network	Advances (%)	Deposits (%)
Madhya Pradesh	59	2.89	3.64
Maharashtra	161	15.27	20.58
Punjab	29	1.34	6.76
Rajasthan	80	4.22	6.05
Tamil Nadu & Puducherry	351	45.29	24.65
Telangana	28	4.22	3.21
Uttar Pradesh	17	1.12	1.69
Uttarakhand	2	0.12	0.53



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.

A Strong Regional Franchise

Our distribution network is strategically concentrated in high-potential markets, with Tamil Nadu, Maharashtra and Karnataka forming the cornerstone of our franchise. Together, these markets contribute significantly to our business while providing a strong platform for sustainable growth. We continue to strengthen our presence across Rajasthan, Gujarat, Madhya Pradesh, Andhra Pradesh, Telangana and other emerging markets, creating a diversified and resilient pan-India banking franchise.

Unbanked Rural Centres

As of 2025–26, we served 366 Unbanked Rural Centres across Tamil Nadu and Maharashtra through our Core Banking-connected Micro ATM network, supported by 366 IIBF-certified Business Correspondents (BCs), with over 65% women representation, strengthening financial inclusion while creating livelihood opportunities.

The network provides access to essential banking services, promotes zero-balance Savings Accounts, Recurring Deposits, Micro-Deposit Savings, Gold Loans and Loans against Property, and supports NABARD-approved financial literacy programmes on safe banking and digital fraud awareness.

During 2025–26, we added 30 new BC outlets, enabled 900+ loans worth ₹ 35 crore, processed 3.30 lakh+ transactions (including for customers of other banks) and helped 250+ customers begin saving through micro-deposit programmes.

Distribution strength

Strong leadership
across Southern India

Omnichannel banking
through branches, ATMs, BCs and digital platforms

Deep local relationships
supporting granular deposits and quality credit growth

Our Growth Journey

Why it Mattered

Our journey has never been about growth alone; it has been about making deliberate choices that strengthened our franchise, diversified our business and deepened customer relationships. Every milestone represents a strategic shift that has shaped the Equitas of today.

Building the Equitas of Today

2007
Launched microfinance lending to the underbanked

Established the purpose of driving financial inclusion among underserved communities.

2011
Launched vehicle finance and Housing Finance

2013
Launched Small Business Loans

2016
Commenced operations as a Small Finance Bank following final approval from RBI

Transformation into a full-service banking institution.

2017
Reported a Net Profit of more than ₹ 1 billion

2018
- Commenced MSE Financing
- Introduced Digital Savings Account – Selfe
- Crossed ₹ 100 billion in Gross Advances
- Partnered with IPL for the first time

Accelerated growth through product diversification, digital innovation and stronger brand visibility.

2019
Exceeded ₹ 100 billion in total deposits

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

Strengthened capital access and long-term growth opportunities.

2021
- Balance sheet size exceeded ₹ 240 billion
- Introduced Used Car Loans

2022
- Gross advances exceeded ₹ 205 billion
- Acquired 23 lakh liability accounts; Highest-ever CASA Ratio at 52.01%
- Successfully raised ₹ 550 Crore via QIP
- Navigated the pandemic successfully with credit cost at 2.60%

2023
- Reverse merger between Equitas Holdings Limited and Equitas Small Finance Bank
- Net worth crossed ₹ 50 billion
- Declared maiden dividend of ₹ 1 per share

Created a stronger, simplified banking franchise while enhancing shareholder value.

2024
- Obtained AD1 Licence
- Introduced New Car Loans
- Launched 'Selfe Loans' borrower app

2025
- Credit Card & Personal Loan launched
- Balance sheet size crossed ₹ 500 billion

Unlocked new cross sell opportunities exclusive to Liabilities customers.

2026
Launched FCNR Deposits & Inward Remittances

Deepened NR product portfolio to improve relationship.

Our Products and Offerings

Products that Propel Progress

Our product strategy is focused on building a future-ready mass retail bank through responsible lending, granular deposit mobilisation and technology-enabled customer experiences. During 2025–26, we strengthened every major business vertical, deepened customer relationships and built a more diversified, resilient portfolio.

We continued to scale our secured lending businesses, including Small Business Loans, Vehicle Finance, Housing Finance, Gold Loans, and MSE Finance, while consciously reducing dependence on unsecured microfinance lending. Our portfolio reflects disciplined underwriting and a strong focus on sustainable asset quality. We also expanded into new growth engines such as Gold Loans and AHF, creating additional avenues for customer acquisition and cross-selling.

On the liabilities side, we strengthened our relationship-led deposit franchise through differentiated propositions such as Elite Lite, ARTHA and EPIC, while expanding our NRI banking offerings, FCNR deposits and comprehensive remittance services.

These initiatives were complemented by continued investments in digital platforms, enabling simpler customer journeys, greater operational efficiency and stronger engagement across channels.

Today, our portfolio represents an integrated ecosystem of lending, deposits, wealth, payments and digital banking solutions, positioning us to deliver sustainable, profitable growth while serving customers across every stage of their financial journey.

Our Asset Portfolio

Our asset portfolio is built on a diversified mix of secured lending products spanning Small Business Loans, Vehicle Finance, Housing Finance, MSE Finance, NBFC Financing and Gold Loans. Supported by stronger distribution, technology-led sourcing, disciplined underwriting and focused collections, we continue to build a scalable lending franchise capable of delivering sustainable growth across economic cycles.

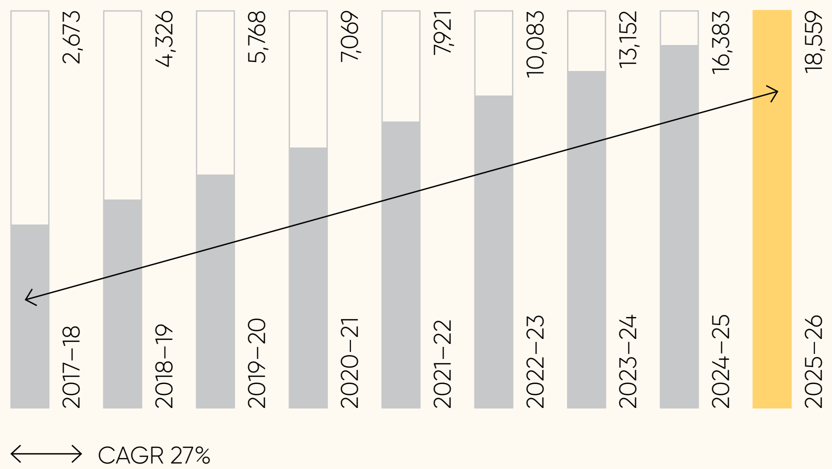
Small Business Loans (SBL)

Small Business Loans (SBL), our flagship and largest lending portfolio, continued to drive secured growth during the year. Focused investments in portfolio quality, digital sourcing and prudent underwriting strengthened the business while supporting sustainable, profitable growth.

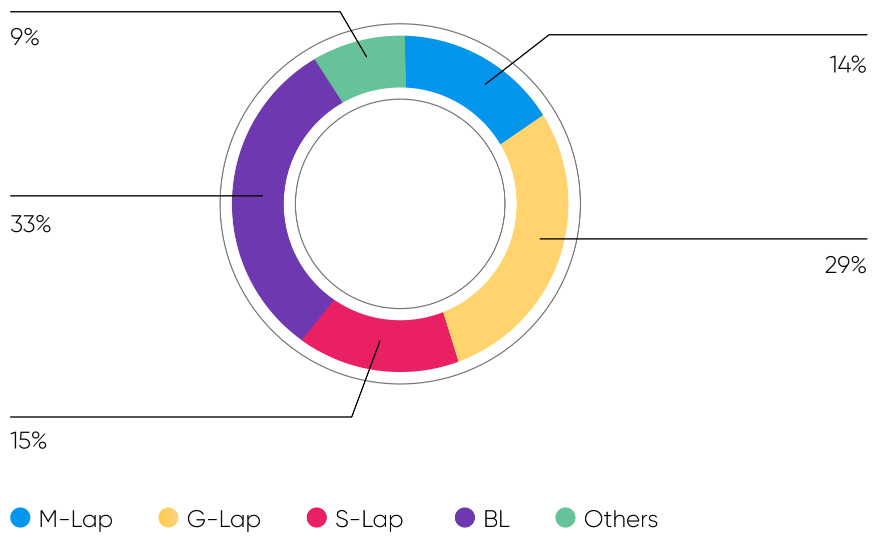
2025–26 Performance

Particulars	2025–26
Gross Advances (₹ in Crore)	18,559
Disbursements (₹ in Crore)	6,611
YoY Growth (in %)	13
GNPA (in %)	2.90
ATS at Disbursement (₹ in Lakh)	10.13
PCR (in %)	34.11

Portfolio Growth (₹ in Crore)



SBL Product Mix



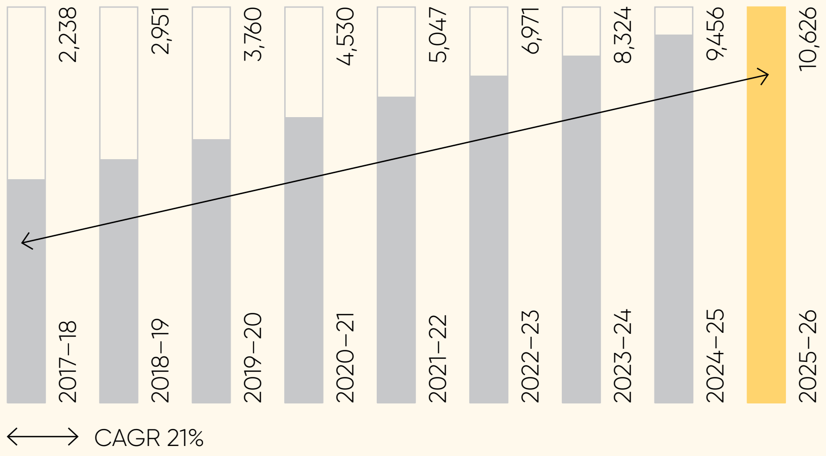
Vehicle Finance

Vehicle Finance continued to support entrepreneurship in commercial transportation through our diversified portfolio and strong presence across Tier 2 to Tier 4 markets. During the year, we strengthened our focus on the Used Commercial Vehicle and Used Car segments, supported by disciplined credit practices, digital capabilities and a robust distribution network.

2025–26 Performance

Particulars	2025–26
Gross Advances (₹ in Crore)	10,626
Disbursements (₹ in Crore)	6,075
YoY Growth (in %)	12
GNPA (in %)	1.62
ATS at Disbursement (₹ in Lakh)	6.33
PCR (in %)	56.33

Portfolio Growth (₹ in Crore)



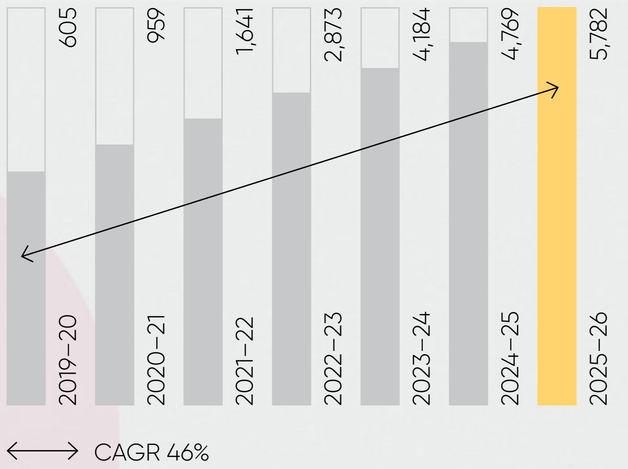
Housing Finance

Our Housing Finance business addresses the affordable housing needs of low- and middle-income households, particularly self-employed customers in the informal sector. During the year, we continued to scale the portfolio through our existing SBL network while maintaining strong portfolio quality and disciplined credit practices.

2025–26 Performance

Particulars	2025–26
Gross Advances (₹ in Crore)	5,782
Disbursements (₹ in Crore)	2,038
YoY Growth (in %)	21
GNPA (in %)	1.01
ATS at Disbursement (₹ in Lakh)	13.05
PCR (in %)	32.39

Housing Finance - Overall (₹ in Crore)



NBFC Financing

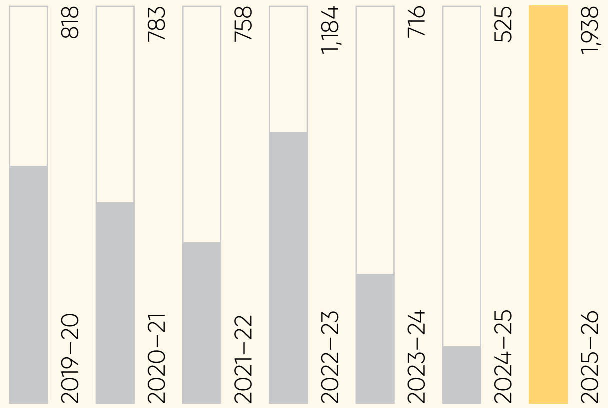
Our NBFC Financing portfolio is selectively built to provide term loans to well-rated non-banking financial institutions serving retail credit needs, managed with a conservative, quality-first approach.

During 2025–26, we continued to build the portfolio selectively, focusing on well-rated counterparties and disciplined exposure management.

2025–26 Performance

Particulars	2025–26
Gross Advances (₹ in Crore)	1,938
Disbursements (₹ in Crore)	2,165
YoY Growth (in %)	269
GNPA (in %)	-
ATS at Disbursement (₹ in Lakh)	68
PCR (in %)	–

NBFC - Portfolio Growth (₹ in Crore)



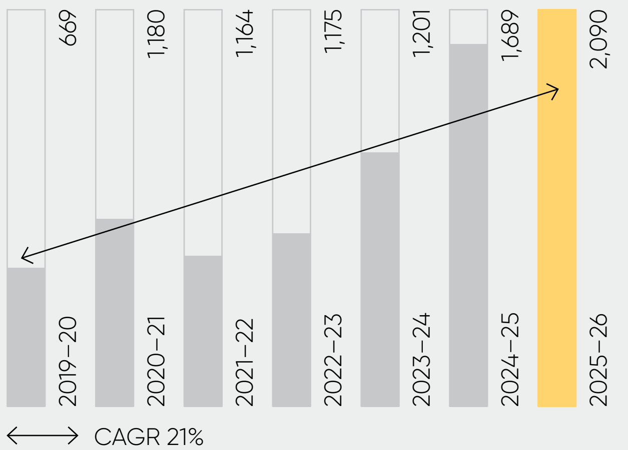
MSE Finance

Our MSE Finance business serves organised micro and small enterprises through working capital and term loan solutions. During the year, we continued to expand the portfolio across key sectors, leveraging our liability branch network while maintaining disciplined underwriting and strong portfolio quality.

2025–26 Performance

Particulars	2025–26
Gross Advances (₹ in Crore)	2,090
Disbursements (₹ in Crore)	1,009
YoY Growth (in %)	24
GNPA (in %)	3.16
ATS at Disbursement (₹ in Lakh)	114
PCR (in %)	71.13

MSME - Portfolio Growth (₹ in Crore)



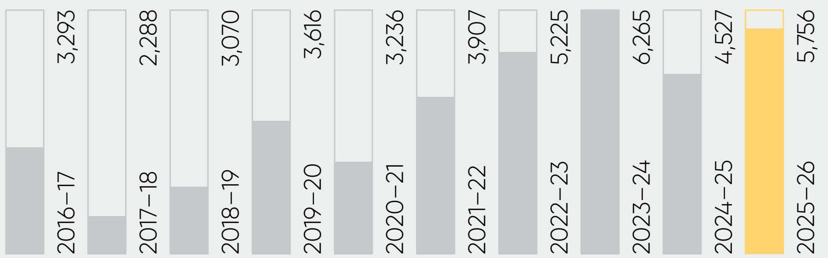
Micro Finance and Microloans

Our Microfinance business continues to empower women entrepreneurs through the Joint Liability Group (JLG) model, supported by a fully digital lending journey.

2025–26 Performance

Particulars	2025–26
Gross Advances (₹ in Crore)	5,756
Disbursements (₹ in Crore)	3,633
YoY Growth (in %)	27
GNPA (in %)	6.27
ATS at Disbursement (₹ in Lakh)	0.69
PCR (in %)	98.99

Portfolio Growth (₹ in Crore)



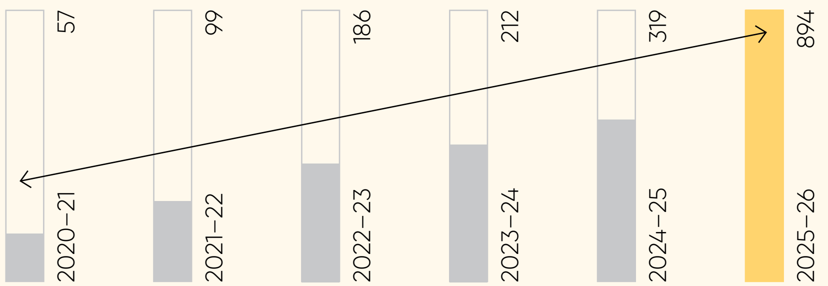
Gold Loans

Gold Loans continued to gain momentum as a strategic growth business, supported by network expansion across liability and asset branches. An in-house digital origination platform and a diversified product offering positioned the business for scalable growth.

2025–26 Performance

Particulars	2025–26
Gross Advances (₹ in Crore)	894
Disbursements (₹ in Crore)	1,246
YoY Growth (in %)	180

Portfolio Growth (₹ in Crore)



CAGR 73%

Credit Card & PL

Credit Cards and Personal Loans are being offered selectively to existing customers based on their banking relationship, transaction behaviour and credit profile. This relationship-led approach enables the Bank to deepen customer engagement while maintaining prudent risk management standards.

Liabilities

Our liability franchise has successfully transitioned from an NBFC-led funding model to a deposit-franchise-led small finance bank, with deposits compounding at approximately a 42% CAGR over and the deposit base scaling from ~₹ 1,900 Crore to over the period ₹ 46,500 Crore, driven by retail-led traction.

During 2025–26, we continued to strengthen the granularity and stability of our deposit base across metro, urban, semi-urban and rural markets, supported by physical, digital and phygital channels.

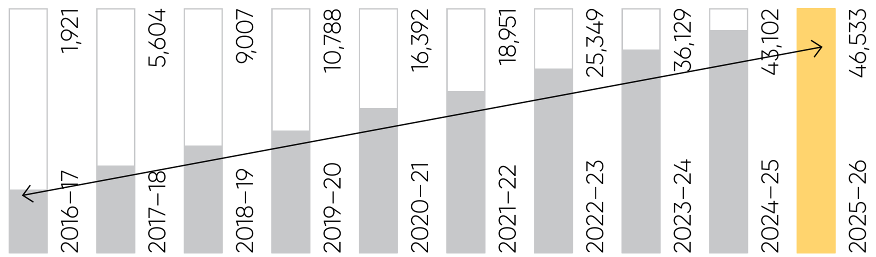
Key Highlights

- Total Retail Deposits (Retail TD + CASA) formed 68% of overall deposits
- About 88% of bulk Term Deposits were in the non-callable mode, supporting funding stability
- Liquidity Coverage Ratio (LCR) stood at 160.93% as of March 31, 2026
- Launched FCNR deposits and inward remittances.
- Equitas 2.0 app scaled to ~40 Lakhs monthly logins and ~9 Lakhs registered users

2025–26 Performance

Particulars	2025–26
Total Deposits (₹ in Crore)	46,533
Retail Deposits (Retail TD + CASA) (₹ in Crore)	31,797
CASA Ratio (in %)	26
Cost of Funds (in %)	7.22

Portfolio Growth (₹ in Crore)



CAGR 42%

Elite

The House of ELITE is our family-banking proposition for affluent and high-net-worth households, expanded into Elite Lite, Elite, Elite Epic and ARTHA to strengthen multi-member, multi-product relationships.

During 2025–26, we deepened the ELITE proposition with exclusive privileges, priority service and RM-led engagement across Elite RM, Branch RM and Virtual RM channels.

House of ELITE

- **Elite Lite:** Entry-level family banking with curated benefits for emerging affluent families
- **Elite:** Exclusive family banking with premium privileges for affluent households
- **Elite Artha:** Premium proposition with personalised service for high-value relationships
- **Elite Epic:** Premium NRI family banking with global privileges

NRI

Our NRI proposition serves non-resident customers through Elite Epic (HNI NRI), NRI Rupee, Explorer NRI and NRI EVA, supported by digital application, transaction convenience and Virtual Relationship Managers operating in customers' time zones.

During 2025–26, we scaled our NRI offering with the launch of FCNR deposits and inward remittances.

- FCNR deposits crossed US$ 29 million
- Digital application with transaction convenience (Email OTP/One-Tap)

Third-Party Products

Our third-party product suite deepens customer relationships and drives fee-based income across Mutual Fund distribution, Insurance, 3-in-1 Trading & ASBA, FASTag/Prepaid Cards, and Wealth Solutions, delivered through integrated digital platforms.

During 2025–26, we strengthened our digital wealth and protection journeys through Envest (mutual funds) and ENVI (Insurtech), enabling seamless management within the Equitas 2.0 app.

Key Highlights

- Mutual Fund distribution via Envest, offering a wide fund basket
- Insurance booking through ENVI, an end-to-end digital Insurtech journey
- Investment services via Smart ASBA (EzyBID) and 3-in-1 Trading accounts

Particulars (₹ in Crore)	2025–26
Mutual Fund AUM	426
Insurance Premiums Booked	~173

Financial Excellence

A Stronger Franchise. Built for Sustainable Growth.

2025–26 demonstrated the resilience of the Equitas franchise. Our decision to proactively strengthen provisioning early in the year helped accelerate the turnaround in credit costs, enabling a sharp recovery in business performance.

Year	Balance Sheet (in ₹ Crore)	Gross Advances (in ₹ Crore)	Total Deposits (in ₹ Crore)
2025–26	60,610	46,165	46,533
2024–25	52,836	37,986	43,107
2023–24	45,304	34,337	36,129
2022–23	34,958	27,861	25,348
2021–22	26,948	20,597	18,951

Year	Net Worth (in ₹ Crore)	Capital Adequacy Ratio (%)	Net Interest Income (in ₹ Crore)
2025–26	6,125	20.31	3,391
2024–25	6,073	20.60	3,252
2023–24	5,969	21.70	3,080
2022–23	5,158	23.80	2,545
2021–22	4,246	25.16	2,039

Year	Profit After Tax (in ₹ Crore)	Other Income (in ₹ Crore)	Cost of Funds (%)
2025–26	103	1,074	7.22
2024–25	147	911	7.50
2023–24	799	799	7.26
2022–23	574	670	6.38
2021–22	281	538	6.58

Year	NIM (%)	Return on Assets (%)	Return on Equity (%)
2025–26	6.69	0.19	1.73
2024–25	7.51	0.30	2.45
2023–24	8.36	2.00	14.43
2022–23	9.00	1.89	12.55
2021–22	8.54	1.10	7.75

Year	GNPA (%)	NNPA (%)	PCR (%)
2025–26	2.49	0.68	73.03
2024–25	2.89	0.98	66.83
2023–24	2.52	1.12	56.06
2022–23	2.60	1.14	56.90
2021–22	4.06	2.37	42.73

Value Creation Model

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

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
- ₹ 46,533 Crore total deposits
- CASA ratio: 26%

Digital-First Infrastructure
- Equitas 2.0 App
- Selfe Suite (Selfe SA, Selfe FD)
- Collections: tele-calling, ~60% digital payments and AI voice bots
- 95% e-sign penetration; 60+ system integrations

Diversified Loan Book
- ₹ 46,165 Crore Gross Advances
- 88% secured portfolio
- MFI maintained at ~10% of advances (calibrated exposure)
- Key segments: SBL, Used CV and Used Car, Affordable Housing, Gold Loans
- 6 lending products spanning 3 to 19-year vintage

Robust Human Capital
- 28,058 employees
- ~12% women workforce

Strong Governance and Compliance
- 82% Board independence as per regulation
- Robust internal risk and audit systems
- ISO 27001:2022 (ISMS) & PCI DSS v4.0.1 certified

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

Extensive Distribution Network
- 630 asset and 430 liability branches; 366 URC banking outlets
- Presence across 16 States and 2 Union Territories

Proprietary Credit Underwriting
- Templated credit models for 30+ business profiles
- In-house risk assessment and governance engine

Large Structural Opportunity
- ~₹ 84 lakh Crore unmet credit demand (MSME + affordable housing)
- SFBs ~1.6% of banking credit – multi-decade growth runway

Depositors
- Mass
- Mass Affluent
- Non-Resident Individuals (NRIs)
- HNIs/Elite
- Business Banking

Deposit Instruments
- Current Accounts (CA)
- Savings Accounts (SA) → Forming CASA (Current Account Savings Account)
- Term Deposits (TD)
- FCNR Deposits

Total Customer Deposits = CASA + Term Deposits

7.22 %
Cost of Funds

01 3S Philosophy

02 CSR Philosophy

03 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 & Microloans
- Gold Loans
- Credit Card & Personal Loans

~15.72 %
Yield on Net Advances

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

1.89 %
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

Financial Growth
- 8% YoY growth in Net Income
- ROA: 0.19%, ROE: 1.73%
- NIM: 6.69%
- Cost to Assets: 5.71%

Asset Quality & Credit
- GNPA: 2.49%, NNPA: 0.68%
- PCR: 73.03%
- 71% of MFI book & 99% of 2025–26 disbursements under CGFMU guarantee

Liability Mobilisation
- ~8% YoY growth in deposits
- Retail Term Deposits: ₹ 19,599 Crore
- CASA Balances: ₹ 12,198 Crore
- Retail TD + CASA: 68% of total deposits
- FCNR deposits crossed USD 29 million

Customer Base Expansion
- Total customer base: 40.13 Lakhs
- 100% digital and instant service processing
- ~9 Lakhs registered users and ~40 Lakhs monthly logins on the Equitas 2.0 App
- 24x7 customer support via digital and assisted models

People & Productivity
- 4.36/5.00% employee engagement (internal survey)
- Training hours: 5.51 learning man-days per employee
- ABECA Ambition Box Employee Choice Award 2026

Sustainability Focus
- ESG ratings
- NSE ESG Rating: 66
- CRISIL ESG Rating: 66 – Strong
- Sustainalytics ESG Risk Rating: 30.5 – High Risk
- ESG Risk.ai Rating: 73
- 3C × ESG framework across 6 focus areas

Social Impact
- 7,27,019 women entrepreneurs trained till date for vocational skills
- 3,57,991 youth supported with placements till date
- 54,375 health camps conducted

Technology & Cyber Resilience
- 99.5% application uptime (99.75% for critical systems)
- Zero data breaches; ISO 27001:2022 & PCI DSS v4.0.1
- Threat detection ~6.3 hrs (vs 14.2 industry); 94.7% phishing-test pass

Customers
- NPS: 89% Low-cost, high-touch service delivery model
- House of ELITE – family & affluent banking
- Growing brand trust & recall (CSK & GT partnerships)

Shareholders
- PAT: ₹ 103 Crore
- EPS: ₹ 1.29
- Prudent risk and capital management
- Long-term value creation through resilient growth

Employees
- 4.26 - external survey (Ambition Box)
- Stable retention across core functions

Communities
- 13,00,000+ cumulative lives impacted through CSR
- CSR coverage in health, education, sanitation, and skilling
- 7,27,019 women skill-trained and 3,57,991 youth placed (cumulative)
- 43,274 free cataract surgeries; 54,375 health camps (cumulative)

Regulators & Society
- Proactive compliance and governance practices
- Transparent disclosures and internal control systems
- Multiple regulatory audits closed with no major observations

FORTIFY

Building a Secured Bank

Fortifying Equitas has meant building strength where it matters most – our lending franchise. Over the years, we have deliberately transformed our portfolio from a predominantly microfinance-led institution into a diversified secured bank, creating a stronger balance sheet capable of delivering sustainable growth across economic cycles.

Today, nearly 88% of our advances comprise secured assets, reflecting a strategic shift that has strengthened portfolio quality, reduced concentration risk and created multiple engines of growth. Rather than depending on one lending business, we have built a balanced portfolio where every business contributes differently to the resilience of the Bank.

Diversification that Builds Resilience

Our secured portfolio is designed not simply for growth, but for balance. Bringing together different customer segments, collateral profiles and repayment behaviours to create a portfolio that is more resilient across market cycles.

Small Business Loans	Anchors the secured portfolio through mortgage-backed lending to informal and semi-formal entrepreneurs
Vehicle Finance	Diversifies the portfolio by empowering drivers to transition to business owners
Affordable Housing Finance	Builds long-tenure, stable assets that improve portfolio quality
Gold Loans	Adds highly collateralised, capital-efficient lending
MSME Finance	Expands relationship-led enterprise banking

Anchoring the Secured Franchise

At the heart of this transformation is **Small Business Loans (SBL)** – our largest lending business and the cornerstone of the secured portfolio. By extending mortgage-backed credit to informal and semi-formal entrepreneurs, SBL combines financial inclusion with prudent risk management, creating a business that is both scalable and resilient.

- 40% of advances anchored by SBL
- 27% CAGR between 2017–18 and 2025–26
- Mortgage-backed portfolio with consistently stable credit performance

This strong foundation is complemented by businesses that broaden the secured ecosystem.

Vehicle Finance

complements our secured lending franchise by financing productive assets that enable livelihood generation while diversifying our asset mix. Focused on Used Commercial Vehicles and Used Cars, the business continues to expand our presence across the self-employed and small business ecosystem.

- 21% CAGR between 2017–18 and 2025–26
- Strengthens the portfolio through productive asset financing

Affordable Housing Finance (AHF) builds on the strength of our SBL franchise by leveraging its established branch network rather than creating standalone housing finance locations. Dedicated AHF teams within SBL branches utilise existing credit, legal and distribution capabilities, enabling rapid expansion into Tier 2 to Tier 5 markets through a capital-efficient operating model.

- 46% CAGR between 2019–20 and 2025–26
- Presence across 90 SBL branches
- Expansion planned to 60 additional SBL branches in 2026–27

Gold Loans further deepens our secured lending ecosystem by leveraging the SBL branch network to offer customers quick, highly collateralised credit solutions. The rollout across asset branches strengthens cross-sell opportunities, improves branch productivity and enhances customer engagement while expanding the Bank's secured lending franchise.

- 73% CAGR between 2020–21 and 2025–26
- Expansion planned across 150 additional asset branches
- Highly collateralised portfolio supporting strong credit quality
- Creates additional engagement with existing SBL and housing finance customers

MSME Finance strengthens our relationship with emerging enterprises by addressing their working capital and business expansion requirements. The business complements our broader secured lending strategy while further diversifying the portfolio.

- 21% CAGR between 2019–20 and 2025–26

Strengthening the Quality of Our Microfinance Portfolio

As we expanded secured lending, we simultaneously strengthened the way we manage our unsecured portfolio.

During the year, we continued to strengthen the Microfinance and Microloans portfolio through:

- Reduction of microfinance exposure from 12% in 2024–25 to ~10% (excluding Direct Assignment) in 2025–26. We continue to maintain Microfinance portfolio at around 10% levels
- We have launched Shubham loans, Individual MFI loans backed by cash flow-based credit underwriting. It is in the nascent stage and it forms ~1% of the entire Microfinance portfolio
- As of March 2026, 71% of MFI principal outstanding and 99% of 2024–25 disbursements are covered under CGFMU guarantee scheme
- Enhanced underwriting and borrower assessment frameworks
- Digital onboarding and improved repayment structures

These measures have helped reduce concentration risk, improve portfolio quality and preserve capital while continuing to support our financial inclusion mission.

FUND

Building a Relationship-led Liability Franchise

As we strengthen our lending franchise, an equally resilient liability franchise becomes fundamental to sustaining long-term growth. Our strategy is therefore no longer centred solely on mobilising deposits; it is focused on building enduring customer relationships that translate into stable funding, stronger engagement and improved operating efficiency.

Through Liability 2.0, we are reimagining our liability franchise around customer segments rather than banking products. By combining relationship banking, digital capabilities, transaction-led engagement and differentiated propositions, we are creating a funding ecosystem that is more granular, more diversified and better positioned to support our sustainable growth.

From Deposits to Relationships

The next phase of liability growth is not being driven by interest rates alone—it is being driven by relationships.

Our strategy focuses on increasing the lifetime value of every customer by expanding engagement beyond savings accounts into transactions, investments, wealth management and family banking. This relationship-led approach strengthens customer stickiness while creating multiple opportunities for deposit mobilisation and cross-selling.

Relationship-led Growth in Action

Family Banking	Expands relationships across households and improves retention
Digital Banking	Creates seamless everyday banking experiences
Transaction Banking	Builds sticky operating accounts and CASA balances
Relationship Banking	Increases wallet share across customer segments

As customer engagement deepens, deposits become an outcome of stronger relationships rather than individual product acquisitions.

Segmenting Relationships. Expanding Lifetime Value.

Recognising that customer expectations evolve with financial well-being, we have built differentiated banking propositions designed to serve customers across every stage of their financial journey.

The House of ELITE brings together specialised propositions that strengthen engagement while expanding the Bank's presence across affluent, emerging affluent and global Indian families.

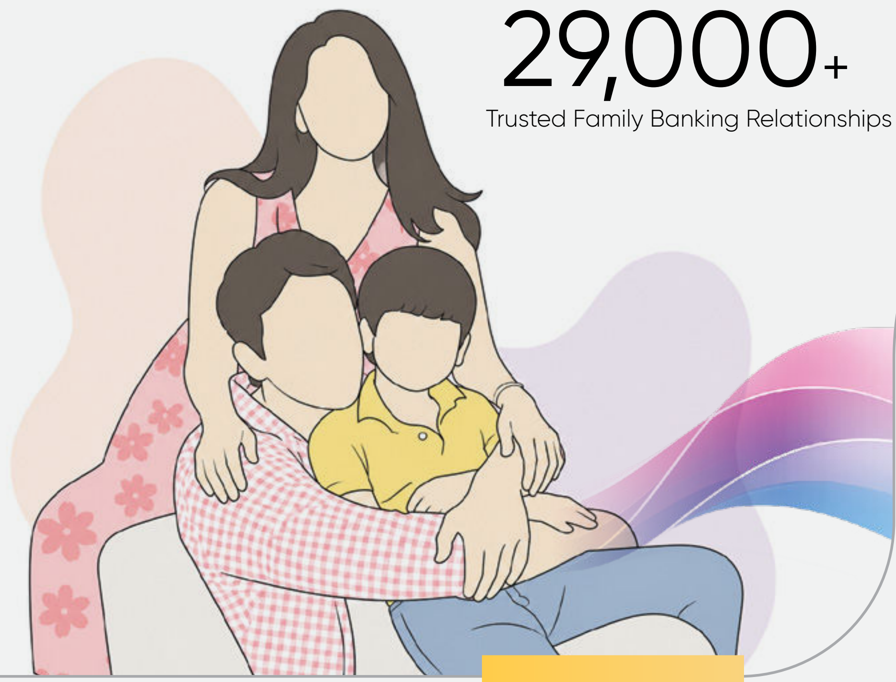
Banking Proposition	Customer Segment	Strategic Outcome
Elite Lite	Emerging affluent	Builds early relationship banking franchise
ELITE	Affluent households	Deepens primary banking relationships
ARTHA	High net-worth individuals	Enhances wealth engagement and advisory
EPIC	Non-resident indian families	Expands global family banking relationships

Complementing these propositions is Family Banking, which has emerged as one of our most important relationship-building platforms. By bringing multiple family members under a single banking relationship, we deepen engagement across deposits, investments, insurance and transaction banking while significantly improving customer stickiness.

Today, the platform serves over 29,000 families, with a long-term aspiration to expand this, creating one of the strongest relationship-led deposit franchises within the industry.

29,000+

Trusted Family Banking Relationships



Banking beyond the Branch

Customers today expect banking to be available whenever and wherever they need it. Accordingly, we continue expanding our physical, digital and assisted banking channels to make Equitas an integral part of customers' everyday financial lives.

Transaction Banking

As businesses increasingly seek integrated banking partners, transaction banking has become an important driver of liability growth.

Through QR and POS solutions, payment collections, virtual accounts and institutional banking solutions, we are helping businesses manage their daily banking operations while positioning Equitas as their primary operating bank.

These high-frequency operating relationships naturally strengthen CASA balances, improve deposit stability and create opportunities for cross-selling across lending, treasury and payment solutions.

How it strengthens the liability franchise

- Builds sticky operating account balances
- Improves CASA mobilisation
- Strengthens long-term business relationships
- Creates recurring transaction-led deposits

Banker on Wheels

Our Banker on Wheels initiative brings assisted banking directly to customers' homes, businesses and communities through digitally enabled relationship officers.

Customers can open accounts, place deposits, complete servicing requests and access multiple banking solutions without visiting a branch. For senior citizens, the initiative enhances convenience and accessibility, while for Elite customers, it offers a high-touch, relationship-led banking experience aligned with their expectations.

By extending banking beyond physical branches, Banker on Wheels improves accessibility while creating an efficient, scalable acquisition model for deposits and customer relationships.

How it strengthens the liability franchise

- Expands reach beyond the branch network
- Improves customer acquisition efficiency
- Supports doorstep deposit mobilisation
- Deepens relationship-led banking

Insta Banking

Our Insta Banking proposition simplifies customer acquisition through paperless, Aadhaar-enabled onboarding and instant account activation.

The platform enables customers to begin their banking relationship quickly through both self-service and assisted channels while reducing turnaround times and operational costs.

More importantly, Insta Banking serves as the first step in a broader relationship journey, creating opportunities to cross-sell deposits, investments, insurance and lending products over time.

How it strengthens the liability franchise

- Accelerates customer onboarding
- Reduces acquisition costs
- Creates a scalable digital acquisition engine
- Enables future cross-selling across the banking ecosystem

Connecting Global Relationships

As global mobility increases, banking relationships increasingly extend beyond national boundaries.

During 2025–26, we strengthened our proposition for Non-Resident Indians by integrating remittances, NRE and NRO accounts, FCNR deposits and ELITE EPIC into a unified relationship banking ecosystem.

Rather than treating remittances as a standalone transaction service, we view them as an entry point into deeper customer engagement. Regular cross-border fund flows create opportunities to mobilise deposits, strengthen CASA balances and expand investment and insurance relationships.

The launch of FCNR Deposits marked another important milestone in strengthening our NRI banking franchise. By enabling customers to hold foreign currency deposits, FCNR offers protection against exchange-rate volatility while providing a tax-efficient avenue for overseas savings. Beyond enhancing customer value, it expands our liability franchise through stable foreign currency deposits and strengthens relationships with globally connected customers. Within months of launch, the FCNR portfolio crossed US$ 29 million, reflecting encouraging customer acceptance.

Together with ELITE EPIC, our premium NRI banking proposition, FCNR reinforces our ability to serve affluent global Indians through a comprehensive suite of domestic and international banking solutions.

How it strengthens the liability franchise

- Expands the NRI customer franchise
- Strengthens foreign currency deposit mobilisation
- Creates recurring transaction relationships
- Supports long-term relationship banking with global families

Strengthening the Quality of Funding

As customer relationships deepen, the quality of our funding franchise continues to improve.

Our focus remains on building a granular retail deposit base supported by stable operating accounts and longer-duration deposits. This diversified funding profile strengthens liquidity, improves balance sheet resilience and provides greater flexibility in managing changing interest rate cycles.

Funding Quality

26%
CASA Ratio

68%
of Total Deposits Retail Deposits (Retail TD + CASA)

~88%
Non-Callable Bulk Deposits

Lowering the Cost of Growth

The true measure of a stronger liability franchise is its ability to fund growth more efficiently.

As our deposit mix becomes more granular and relationship-led, we continue to improve funding efficiency while narrowing the pricing gap with larger universal banks.

During 2025–26

- Cost of Funds reduced to 6.94% in Q4 2025–26, supported by favourable deposit repricing
- Longer-duration deposits strengthened Asset-Liability Management while reducing funding volatility

Every basis point saved strengthens our ability to compete more effectively while supporting sustainable margin performance.

DEEPEN

Deepening Relationships. Expanding Lifetime Value.

As we continue to grow our customer franchise, our focus extends beyond acquisition to building deeper, more enduring relationships. By expanding our product ecosystem and enhancing customer engagement, we are steadily increasing our share of customers' financial lives.

Participating in India's Consumption Story

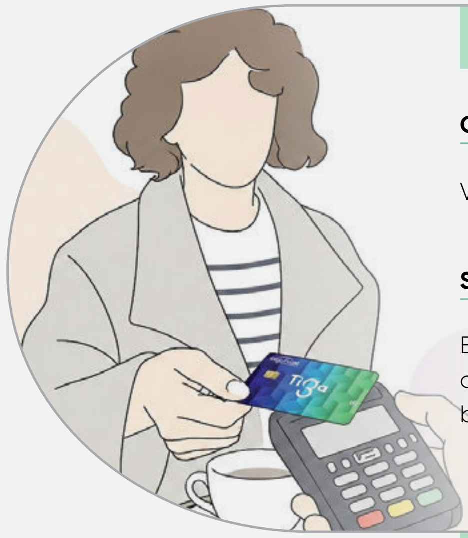
India's private consumption continues to remain one of the strongest drivers of economic growth, supported by rising household incomes, increasing formalisation and rapid adoption of digital payments.

Credit Cards

Credit cards have emerged as one of the fastest-growing retail financial products, with industry spends crossing ₹ 21 lakh Crore annually and digital transactions accounting for over 60% of total card spends. This presents a significant opportunity for relationship-oriented banks to strengthen customer engagement beyond traditional deposit products.

Against this backdrop, we strengthened our engagement with existing customers through a differentiated credit card portfolio designed around customer lifestyles rather than a one-size-fits-all proposition.

Three Cards. Three Distinct Customer Journeys.



Tiga

Customer Segment

Value-conscious customers

Strategic Purpose

Encourage first-time credit card adoption and increase transaction banking relationships

Selfe

Customer Segment

Young professionals and digitally connected customers

Strategic Purpose

Drive everyday engagement through lifestyle benefits and digital rewards

PowerMiles

Customer Segment

Affluent customers and frequent travellers

Strategic Purpose

Enhance premium relationships while generating higher fee-based income

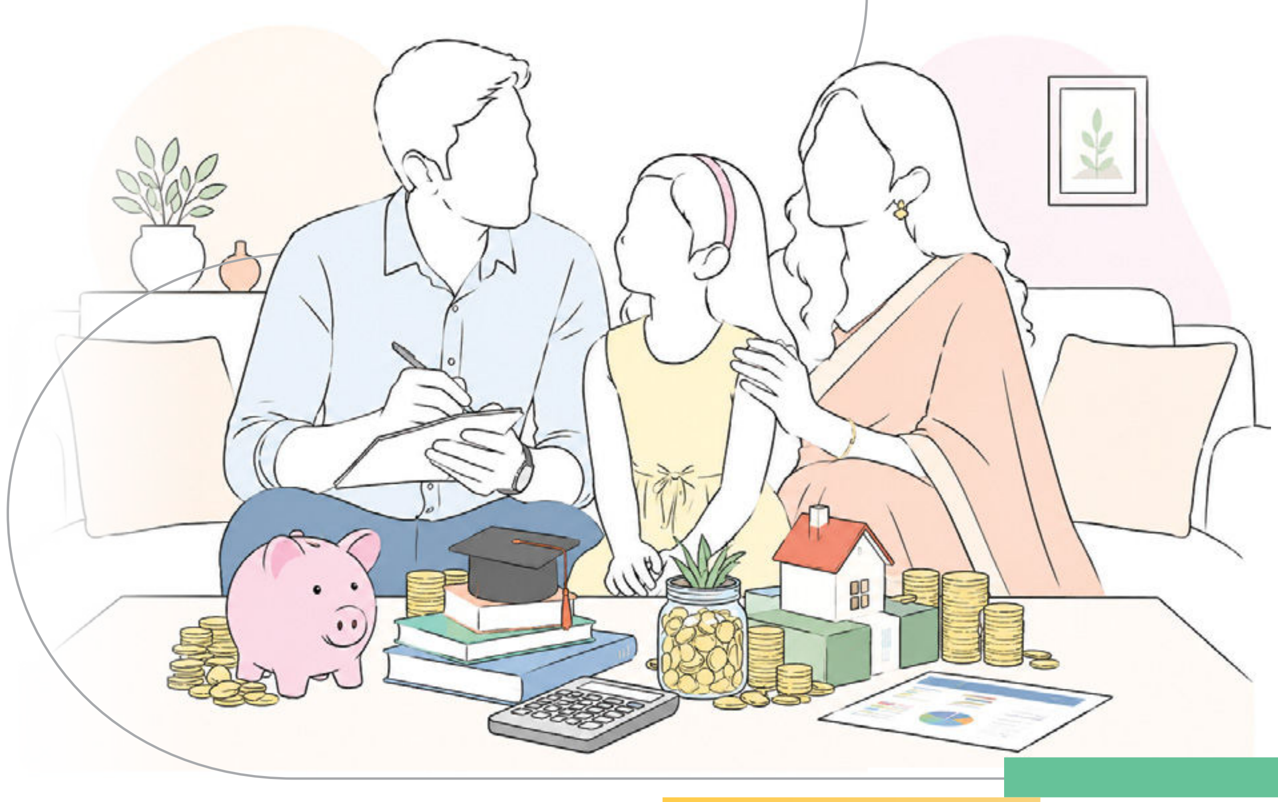
Rather than positioning credit cards purely as a lending product, we view them as an engagement platform that increases transaction frequency, strengthens primary banking relationships and creates recurring fee income.

From Saving to Long-term Financial Growth

As customer relationships mature, financial priorities naturally evolve from saving towards investing, wealth creation and financial protection. Our objective is to support customers throughout this transition by building a comprehensive financial ecosystem that extends well beyond traditional banking.

During the year, increasing retail participation in Indian capital markets created significant opportunities to deepen customer engagement across investments and protection products.

Our Investment ecosystem continued to witness healthy momentum across Systematic Investment Plans (SIPs), broking accounts, ASBA registrations and IPO participation, reflecting customers' growing confidence in Equitas as a trusted financial partner.



01 Systematic Investment Plans (SIPs)

Encouraging Disciplined Investing

Customer participation in long-term investing continued to strengthen during the year, resulting in healthy growth in SIP registrations. By enabling convenient access to mutual fund investments through our banking ecosystem, we are helping customers adopt disciplined investment habits while strengthening recurring engagement and expanding our wealth franchise.

02 ASBA & EzyBID

Simplifying Capital Market Participation

Retail participation in India's capital markets remained strong during 2025–26. We enabled customers to participate seamlessly in IPOs through our ASBA facility and EzyBID platform, resulting in strong growth in ASBA registrations, healthy IPO application volumes and significant application value. By integrating these capabilities into our digital banking ecosystem, we continue to make capital market participation faster, simpler and more convenient.

03 3-in-1 Broking Account

Creating a Seamless Investment Experience

Our integrated 3-in-1 account proposition continued to gain traction, driving growth in broking account openings. By bringing together savings, trading and demat accounts under one relationship, customers benefit from a seamless investment experience while deepening their engagement across multiple banking products.

04 ENVI

Expanding Protection through Open-Architecture Insurance

Financial well-being extends beyond wealth creation to protecting what customers build. During 2025–26, we continued to strengthen ENVI, our open-architecture insurance distribution platform, providing customers access to 15 leading insurance partners across life, health and general insurance.

Supported by technology-enabled product comparisons and assisted advisory, ENVI empowers customers to select solutions best suited to their individual requirements rather than being restricted to a single insurer. This customer-centric approach contributed to continued growth across both life and general insurance premium collections while strengthening our fee-based income franchise.

Building a Brand Customers Choose

As Equitas continues to evolve into a full-service retail bank, our brand has become a key enabler of deeper customer relationships. During 2025–26, we strengthened our brand through a combination of national partnerships, hyper-local engagement and digital-first customer acquisition initiatives, enhancing visibility, building trust and encouraging customers to engage more meaningfully across our expanding banking ecosystem.

National Brand Visibility

Building Trust, Recall and Scale

Our long-standing partnerships with Chennai Super Kings (9 years) and Gujarat Titans (5 years) continued to amplify brand visibility and strengthen customer recall across existing and emerging markets. Supported by integrated campaigns across television, digital and social media, these partnerships helped position Equitas as a trusted, modern banking brand while fostering strong emotional connections with millions of consumers.

Strategic Impact

- Enhanced national brand recall and credibility
- Expanded visibility across high-growth markets
- Strengthened customer engagement through sports-led campaigns

Winning the Catchment

Making Every Branch the Most Trusted Financial Partner in its Neighbourhood

Complementing our national brand strategy, we continued to strengthen our presence at the community level through branch-led marketing and hyper-local engagement. Financial literacy programmes, customer meets, health camps, festive celebrations and regional activations enabled our branches to build stronger neighbourhood relationships while improving customer participation and local brand affinity.

By combining physical engagement with digital amplification and structured follow-ups, we transformed local interactions into long-term customer relationships.

Strategic Impact

- Local intelligence-led branch marketing
- Community engagement beyond banking
- Increased branch visibility, footfalls and customer connect

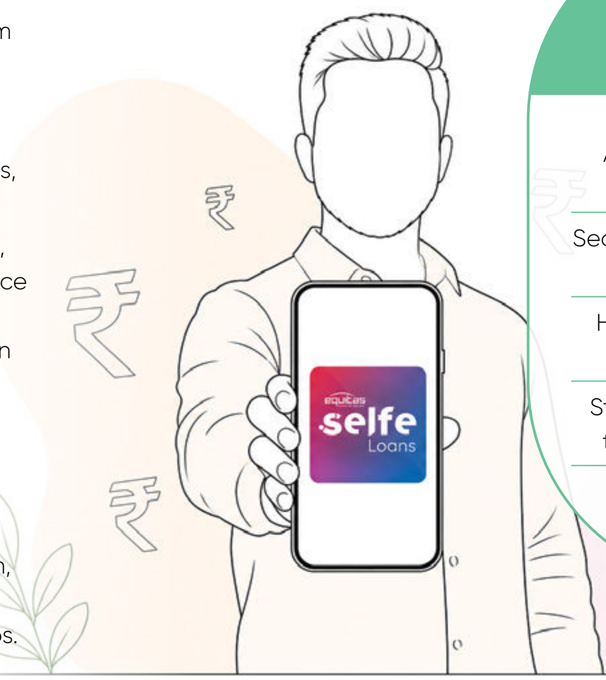
Digital Growth Engine

Building a Scalable Customer Acquisition Ecosystem

Digital remains a key driver of customer acquisition and engagement. During the year, we strengthened our digital ecosystem through the 'Selfe' suite, enabling seamless digital onboarding for savings accounts, fixed deposits and credit cards through paperless, intuitive customer journeys.

Supported by advanced analytics, precision targeting and performance marketing across digital channels, our acquisition strategy focused on attracting high-quality customers while creating opportunities for cross-sell across deposits, lending and digital banking products.

This scalable ecosystem continues to strengthen customer acquisition, improve conversion efficiency and deepen multi-product relationships.



Strategic Impact

- Analytics-led customer acquisition
- Seamless digital onboarding experience
- Higher-quality customer acquisition
- Stronger cross-sell across the banking ecosystem

ASCEND
ASCEND
ASCEND
ASCEND

ASCEND

Progressing towards Mass Retail Banking

Building a stronger institution requires disciplined execution, prudent decision-making and continuous investment in long-term capabilities. At Equitas, we have consistently strengthened our business by expanding the secured lending portfolio, diversifying our liability franchise, deepening customer relationships, investing in technology and reinforcing governance and risk management.

During 2025–26, we further enhanced our digital infrastructure, enterprise technology, data capabilities and cyber resilience while maintaining disciplined capital allocation. These investments are enabling us to scale efficiently, deliver superior customer experiences and strengthen the institutional foundations that support our long-term strategic ambitions.

Building a Stronger Institution

Building a future-ready bank extends beyond growing the balance sheet. It requires robust governance, agile technology, disciplined risk management, empowered people and a customer-centric culture working together as one institution.

Throughout 2025–26, we continued to strengthen these institutional capabilities, creating a stronger operating platform that enhances resilience, improves execution and positions us for sustainable long-term growth.

Our Readiness Framework

Asset Quality	Predominantly secured portfolio with disciplined underwriting and calibrated risk management
Technology	Modern cloud-native platforms, enterprise automation and AI-enabled operations
Risk and Governance	Robust governance framework, ECL readiness and strengthened enterprise risk management
Customer Franchise	Diversified retail banking ecosystem with growing digital engagement

Together, these capabilities are strengthening our ability to grow responsibly while remaining resilient across business cycles.

Technology Enabling a Future-Ready Retail Bank

Technology is increasingly becoming a strategic enabler of growth at Equitas, helping us deliver superior customer experiences, strengthen operational efficiency and build a scalable retail banking franchise.

During 2025–26, we continued to strengthen our digital platforms, enterprise technology capabilities, data infrastructure and cybersecurity framework. These investments are helping create an integrated technology ecosystem that supports customer engagement, business growth and operational resilience.

Enhancing Digital Experiences

Customer expectations today are defined by convenience, accessibility and seamless interactions. In response, the Bank continued to strengthen its digital ecosystem through Equitas 2.0, a unified mobile banking platform that brings together payments, deposits, investments, bill payments, card services and digital servicing capabilities within a single interface.

Alongside platform enhancements, the Bank continued to improve digital onboarding and servicing capabilities across key customer journeys. The focus remains on creating intuitive, self-service experiences that enable customers to engage with the Bank through their preferred channels while ensuring consistency across touchpoints.

2025–26 Highlights

~69%
Digital Onboarding Penetration

~30%
Digital Servicing Penetration

Integrated digital banking platform
Supporting a wide range of customer transactions and services

Building Technology Capabilities from within

As the Bank's technology landscape continues to evolve, strengthening internal capabilities has become an important strategic priority. During the year, the Bank continued to expand its in-house expertise across application development, core banking enhancements, enterprise platforms, data management and process automation.

This approach enhances technology ownership, improves execution agility and enables faster delivery of business requirements. It also supports the creation of reusable technology capabilities that can be leveraged across multiple business functions, helping drive consistency and efficiency across the organisation.

Unlocking Value through Data and Analytics

Data remains at the core of informed decision-making, governance and operational excellence. The Bank's enterprise data platform provides a centralised and scalable foundation for business intelligence, analytics and regulatory reporting requirements.

The platform integrates data across business functions, enabling timely access to information and supporting data-driven decision-making across the organisation. Automated reporting capabilities further enhance operational efficiency while strengthening governance and compliance processes.

Embedding Intelligence across Operations

Artificial Intelligence and automation are increasingly becoming part of the Bank's operating model. During the year, the Bank progressed multiple AI-led initiatives spanning payments, cheque processing, collections, software testing, customer servicing and lending processes.

These initiatives are helping streamline workflows, reduce manual intervention and improve consistency across operations. By embedding intelligence into day-to-day processes, the Bank is strengthening productivity while enhancing operational control and service quality.

AI in Action

6 enterprise AI initiatives

Under implementation across banking operations and customer servicing functions

Strengthening Resilience and Cybersecurity

As digital adoption accelerates, maintaining a secure and resilient technology environment remains fundamental to customer trust. During 2025–26, the Bank continued to strengthen its infrastructure, enterprise monitoring capabilities and cybersecurity framework while maintaining high levels of service availability across customer-facing applications. A resilience-first approach, supported by enterprise observability, capacity planning and a hybrid infrastructure environment, helps ensure operational continuity and readiness to support growing business requirements. The Bank also continues to enhance its cybersecurity capabilities through advanced monitoring, threat detection and information security practices.

Building the Foundation for Scale

Technology today extends far beyond digitisation. It plays a critical role in shaping customer experiences, improving operational efficiency, strengthening governance and enabling business agility.

Through continued investments across digital platforms, enterprise technology, data capabilities, artificial intelligence and cybersecurity, the Bank is building a stronger operating foundation to support long-term growth. These capabilities are helping create a more scalable, resilient and customer-centric institution, reinforcing Equitas' journey towards becoming a future-ready retail bank.

ESG

Embedding Sustainability across Our Business

At Equitas, sustainability is embedded in our purpose of advancing financial inclusion and creating long-term value for all stakeholders. While our journey began with impactful CSR initiatives spanning healthcare, education, livelihood generation and community development, we recognise that sustainable growth requires a more integrated approach – one that embeds environmental, social and governance (ESG) considerations into the way we operate, govern and grow.

Guided by this commitment, we have established a structured ESG framework that aligns sustainability with our business strategy, strengthens governance and risk management, and enables us to create responsible and lasting value for customers, communities, employees, investors and society.

Our ESG Policy

Our ESG Policy serves as the cornerstone of our sustainability approach, providing a structured framework to integrate ESG considerations across the Bank. It translates our sustainability commitments into actionable priorities while aligning with evolving stakeholder expectations, regulatory requirements and recognised global frameworks.

The policy guides our efforts across key focus areas, including:

- Emissions
- Green Financing
- Operations
- Inclusion
- Development
- Community

Its scope extends across our operations, employees, customers and communities, ensuring sustainability remains embedded in our value chain.

ESG Governance

Strong governance is fundamental to delivering our sustainability ambitions. Oversight is provided through a cross-functional ESG Committee comprising leaders from across the Bank, ensuring that ESG priorities are integrated into strategic planning, enterprise risk management and business decision-making.

This governance framework promotes accountability, monitors progress against ESG priorities and enables the Bank to respond proactively to evolving stakeholder expectations and regulatory developments.

Our 3C × ESG Framework

Recognising that sustainability creates value differently for different stakeholders, we have adopted the 3C × ESG Framework, which translates our ESG priorities into focused actions across the three pillars that define our impact: **Customers, Community and Company.**

	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 have ethical and transparent engagements.	Implement robust governance frameworks, ensure transparency in ESG reporting and conduct regular audits to identify gaps and align with industry best practices.

Customers Community Company

Building Climate Resilience

As climate-related risks continue to evolve, we are strengthening our approach to assessing and managing their potential impact on our business. We partnered with IPC GmbH under a technical assistance programme co-funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Union (EU), within the framework of the EU-led Sustainable Finance Advisory Hub (SFA Hub), a Global Gateway Initiative. Implementation was supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH through EUSFAH. Through this engagement, a climate risk assessment of our loan portfolio was conducted using internationally recognised approaches, providing valuable insights into potential climate-related risk exposures and their implications. The exercise enhanced our understanding of climate risk assessment methodologies, the interpretation of assessment outcomes, and the relevance of climate-related risks for financial institutions. The insights gained through this engagement will establish a foundation to start climate risk management practices in the organisation and proactively respond to evolving regulatory expectations.

External ESG Recognition

Our continued focus on strengthening ESG governance and sustainability practices is reflected in unsolicited external assessments.

66 Aspiring
NSE Sustainability Ratings and Analytics

30.1 High Risk
Sustainalytics ESG Risk Rating

66 Strong
CRISIL ESG Ratings and Analytics

73
ESG Risk.ai Rating

ISO 27001:2022

(ISMS) covering critical systems and data assets, ensuring robust controls for information confidentiality

Building a Sustainability Agenda that Matters

As Equitas continues to build a stronger and more resilient banking institution, we recognise that sustainable value creation extends beyond financial performance. It requires a clear understanding of the environmental, social and governance issues that shape our business, influence stakeholder expectations and define our long-term resilience.

During 2024–25, we undertook our first formal Materiality Assessment to identify and prioritise the ESG topics most significant to our business and stakeholders. In 2025–26, we strengthened our ESG approach by embedding the identified priorities across our strategy, governance and risk management framework.

Our Approach

The assessment evaluated the impact of ESG issues on our business and the impact of our operations on the economy, environment and society. The exercise combined stakeholder inputs, industry benchmarking and management insights to identify the ESG priorities that will guide our sustainability journey.

Assessment Process

Identify

Engaged key stakeholder groups to understand their expectations and sustainability priorities.

Assess

Evaluated each topic for its relevance to business performance, enterprise risks, stakeholder interests and long-term value creation.

Benchmark

Reviewed peer practices and aligned the assessment with recognised frameworks, including GRI, BRSR, SASB and the UN Sustainable Development Goals (SDGs).

Validate

Prioritised material topics through a materiality matrix and validated the outcomes with senior management.

Material Topics

Material Topic	Aligned SDGs
Regulatory Compliance	SDG 16
Corporate Governance & Ethics	SDG 16
Data Privacy & Security	SDGs 9, 16
Risk Management	SDGs 8, 16
Transparency & Disclosures	SDG 16
Brand & Reputation	SDGs 10, 17
Ethical Selling & Business Practices	SDGs 1, 10
Business Continuity	SDGs 11, 13
Business Strategy & Growth	SDGs 8, 9, 17
Values & Organisational Culture	SDGs 5, 8
Leadership Development & Succession Planning	SDGs 4, 8
Grievance Redressal	SDGs 5, 16
Responsible Lending & Product Innovation	SDGs 8, 9, 12
Digital Transformation	SDG 9
Talent Attraction & Retention	SDGs 4, 5, 8
Market Opportunities & Competitiveness	SDGs 8, 9
Shareholder Rights	SDGs 10, 16
Employee Well-being	SDGs 3, 5, 8
Board Diversity & Independence	SDGs 5, 16

Our Guiding Vision

Other Committees of the Board

In addition to the Committees mentioned above, the Bank has constituted various other Committees to oversee specific functions and support effective governance. These include the Business Committee, Customer Service Committee, IT Strategy Committee, Credit Committee, Special Committee for Monitoring and Follow-up of Cases of Frauds, Review Committee for Identification of Wilful Defaulters, Policy Formulation Committee, Outsourcing Committee, Committee for Review of High Value Stressed Assets and Capital Raising Committee.

C M M M

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

02 03 05 08 10 12

M M

Mr. Navin Puri
Non-Executive Independent Director

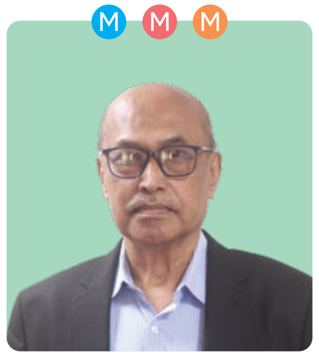
01 02 03 05 06 11

C M

Mr. Ramesh Rangan
Non-Executive Independent Director

02 03 06 08 11 12 13

M M M



Prof. Samir Kumar Barua
Non-Executive Independent Director

01 03 05 06 12 13

C M M

Ms. Geeta Dutta Goel
Non-Executive Independent Director

01 05 06 11 13

M

Dr. Gulshan Rai
Non-Executive Independent Director

09 10

C M

Mr. K. S. Sampath
Non-Executive Independent Director

01 03 04 05 06 12

M M

Mr. N. R. Narayanan
Non-Executive Independent Director

03 12 13

C M

Mr. Ramkumar Krishnaswamy
Non-Executive Independent Director

03 11

M M M

Mr. P. N. Vasudevan
Managing Director & Chief Executive Officer

03 06 07

M

Mr. Balaji Nuthalapadi
Executive Director

03

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, 2026.

Governance at a Glance

12
Board Meetings

92%
Board Attendance

94%
Board Committee Attendance

Board Independence

9
Independent Directors

9
Non-Management Directors

8 Years
Term Limit of Independent Directors

Skills/Expertise

01 Accountancy
02 Agriculture and Rural Economy
03 Banking
04 Co-operation
05 Economics
06 Finance
07 Law
08 Small-scale Industry
09 Information Technology
10 Payment and Settlement Systems
11 Human Resources
12 Risk Management
13 Business Management

Leadership Team

Steering the Future with Our Leadership Team

Mr. P. N. Vasudevan
Managing Director & Chief Executive Officer

Mr. Balaji Nuthalapadi
Executive Director

Mr. Mukund Shyamrao Barsagade
Chief Financial Officer

Mr. Murali Vaidyanathan
Head - Liabilities

Mr. Jagadesh J
Head - Assets

Mr. Pallab Mukherji
Chief People Officer

Mr. Gopalakrishnan G
Head - Treasury

Mr. Vivek Dhavale
Chief Technology Officer

Mr. Siby Sebastian
Head - Operations

Mr. Sivapprakash V. S.
Head - Vigilance

Mr. Sethupathy S.
Head - Process & Quality Assurance

Mr. Ashwini Biswal
Chief Compliance Officer

Mr. Vignesh Murali
Chief Marketing Officer (CMO) & Business Head - Banker on Wheels

Mr. Vikas Jagdish Jajoo
Head - Internal Audit

Mr. Arcot Sravanakumar
President - Infrastructure & Facilities Management

Mr. Taraka Ramana Prathipati
Interim Chief Risk Officer

Mr. Ramanathan N
Company Secretary

Shareholder Engagement and Communication

Our Investor Relations (IR) function is committed to transparent, timely and consistent communication with shareholders, analysts and the investment community. Through regular engagements and comprehensive disclosures, we communicate the Bank's strategy, financial performance, governance standards and long-term value creation journey while ensuring compliance with RBI and SEBI regulations.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Board oversees the redressal of investor grievances relating to share transfers, transmission, dematerialisation, non-receipt of dividends and annual reports, among other shareholder matters. The Committee also reviews measures undertaken to strengthen shareholder services and facilitate the effective exercise of voting rights.

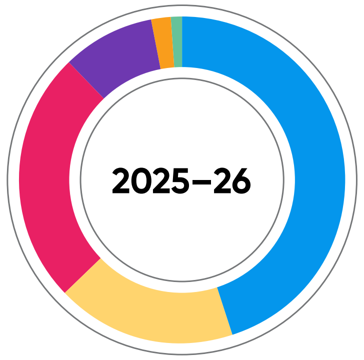
4
Meetings Held

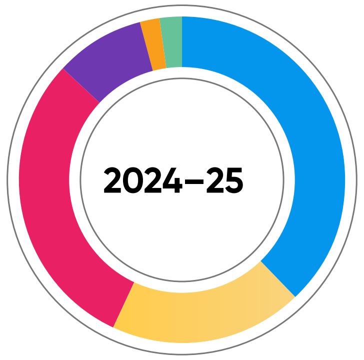
95%
Attendance

Shareholding Pattern (As of March 31, 2026)

Shareholding Composition

CATEGORY	2025–26	2024–25
Mutual Funds	45%	38%
FIIs	18%	19%
Resident Individuals	25%	30%
Others	9%	9%
Alternative Investment Funds	2%	2%
Employees	1%	2%





Mutual Funds · FIIs · Resident Individuals · Others · Alternative Investment Funds · Employees

Shareholding Highlights

- The Bank continues to maintain a diversified shareholder base across institutional and retail investors
- Domestic institutional investors continue to remain significant long-term shareholders, reflecting confidence in the Bank's strategy and growth prospects
- Retail participation remains healthy, demonstrating sustained investor confidence
- Foreign institutional ownership has remained resilient despite evolving global market conditions

Investor Engagement

Insights, Engagement and Long-term Value

During the year, we hosted the Analyst & Investor Meet 2026, themed 'From Resilience to Momentum', providing investors and analysts with insights into our business performance, strategic priorities and long-term growth outlook. The event enabled direct interactions with our senior leadership and business heads, fostering meaningful discussions on business performance, portfolio trends, growth opportunities and digital initiatives.

Key Highlights

- Discussions on the Bank's strategy, performance and long-term growth roadmap
- Interactions with senior leadership and business heads across key businesses
- Interactive Q&A sessions with investors and analysts
- Experience kiosks showcasing our digital capabilities and end-to-end customer journey

The engagement reinforced our commitment to transparent communication and long-term value creation

Other Modes of Investor Engagement

We actively engage with institutional investors through conferences, one-to-one meetings, earnings calls and non-deal roadshows, providing regular updates on our business performance, strategy and long-term outlook while fostering meaningful dialogue with the investment community.

Engagement Snapshot

Particulars	2025–26
Conferences & Non-Deal Roadshows	14
Institutional Analyst Coverage	24
Dedicated Investor Relations Team	3

Digital Investor Communication

Our dedicated Investor Relations website serves as a comprehensive information platform, providing shareholders, analysts and the broader investment community with easy access to financial information and regulatory disclosures.

The platform offers:

- Financial results and Annual Reports
- Investor presentations and earnings materials
- Stock exchange filings and corporate governance disclosures
- Shareholding pattern and other statutory disclosures
- Historical quarterly financial trends and key financial ratios
- Management interviews and media interactions through the Investor Media section
- Downloadable reports and investor resources

Recognition That Inspires Us

Our commitment to creating value for our customers, nurturing a people-first culture and delivering excellence across every aspect of our business earned us several prestigious recognitions during the year. These accolades reaffirm the strength of our brand, the trust of our employees and the impact of our customer-centric and innovation-led approach.

e4m Mobile Awards – The Maddies 2025

Recognised for delivering impactful, insight-led marketing campaigns across multiple categories:

Most Effective Consumer Campaign

Relationship Building / Remarketing

Data & Insights

AmbitionBox Employee Choice Awards 2026

Highest Rated Bank in India – Large Banks Category

- Ranked No. 1 among Large Banks in India
- Ranked No. 1 among Large Companies across sectors
- Achieved an employee rating of 4.26/5, based on 2.8K+ employee reviews

LACP Vision Awards 2025

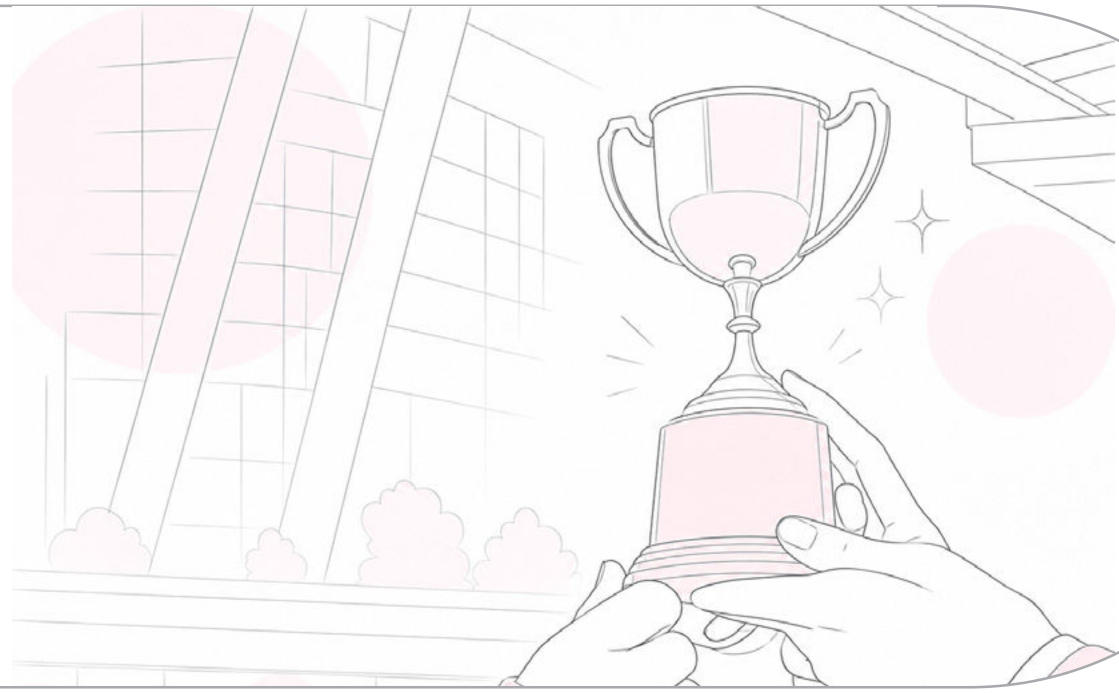
Honoured with multiple global recognitions for excellence in corporate reporting:

- Platinum Winner Worldwide
- Top 100 Annual Reports Worldwide
- Best Shareholder Letter Worldwide

Brandon Hall Excellence in Action Awards 2025

Silver Award – Employee Engagement

Recognised for our continued efforts to create an engaging, inclusive and empowering workplace where employees are encouraged to learn, collaborate and thrive.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

At Equitas Small Finance Bank, sustainability is an integral part of our purpose and our approach to creating long-term value for stakeholders. Built on a strong foundation of responsible banking, financial inclusion, prudent governance, and stakeholder-centric practices, we continue to strengthen our commitment to creating meaningful and lasting impact. Reflecting our journey 'From Resilience to Momentum', we are accelerating progress across our environmental, social, and governance (ESG) priorities through a structured and integrated approach.

Guided by our 3C x ESG Framework, we translate our ESG priorities into tangible actions across our key constituencies: Customers, Community, and Company. Our ESG strategy is anchored around six focus areas that help us drive sustainable and inclusive growth:

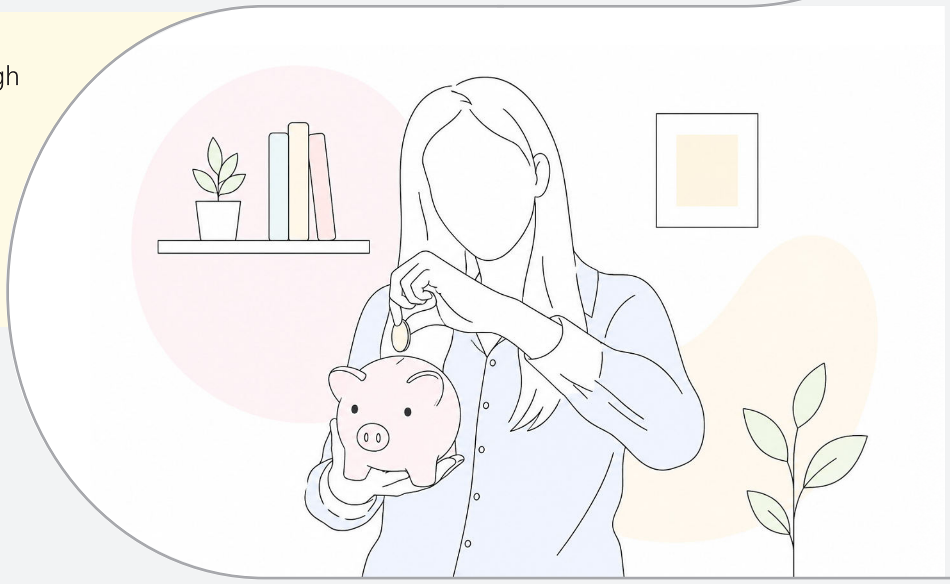
- **Financial Inclusion**
- **Community Development**
- **Responsible Operations**
- **Green Financing**
- **Emissions Management**
- **Sustainable Development**

During 2025-26, we continued to strengthen our ESG foundations through several key initiatives:

- **Conducted a structured materiality assessment to identify and prioritise ESG issues most relevant to our stakeholders and business**
- **Maintained strong governance oversight, with 82% Independent Directors on our Board**
- **Achieved ISO 27001:2022 certification, reinforcing our commitment to information security and data protection**
- **Partnered with IPC GmbH under the Global Programme Sustainable Economic Transformation and Sustainable Finance (implemented by GIZ) to strengthen climate-risk assessment capabilities and undertake a detailed climate-risk analysis of our loan portfolio**
- **Integrated sustainable practices into infrastructure development, including our upcoming workspace designed with modern sustainability considerations**

Our progress has been recognised through independent ESG assessments, including:

- **ESGRisk.ai Rating: 73**
- **CRISIL ESG Rating: 66 (Strong)**
- **NSE Sustainability Rating: 66/100**
- **Sustainalytics ESG Risk Rating: 30.1**



Our Business Responsibility and Sustainability Report (BRSR) for 2025-26 provides a transparent account of our ESG performance and progress. Prepared in accordance with SEBI's BRSR framework and the National Guidelines on Responsible Business Conduct (NGRBC), the report highlights our initiatives and achievements across the nine principles of responsible business conduct.

As we move forward, we remain focused on embedding sustainability deeper into our business, expanding responsible finance, strengthening climate resilience, and creating sustainable outcomes for our customers, communities, employees, and the environment.

SECTION A: GENERAL DISCLOSURES

At Equitas, our purpose has always been simple and deeply held: to serve the underserved and the unbanked, and to let finance be a force for dignity and opportunity. Over the years we have grown from a pure-play microfinance institution into a stable, sustainable and scalable retail-focused bank, with around 88% of our portfolio now in secured lending, yet we have never moved away from the grassroots of the economy, where a small loan, a savings account or a health camp can change the course of a family's life. Inclusive growth, ethical governance and stakeholder accountability remain at the heart of everything we do.

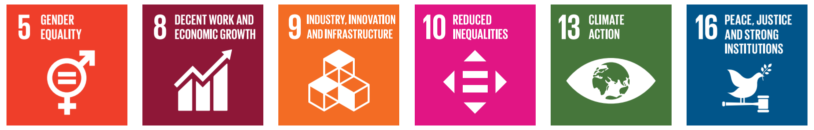
Linkage with the Integrated Report Components

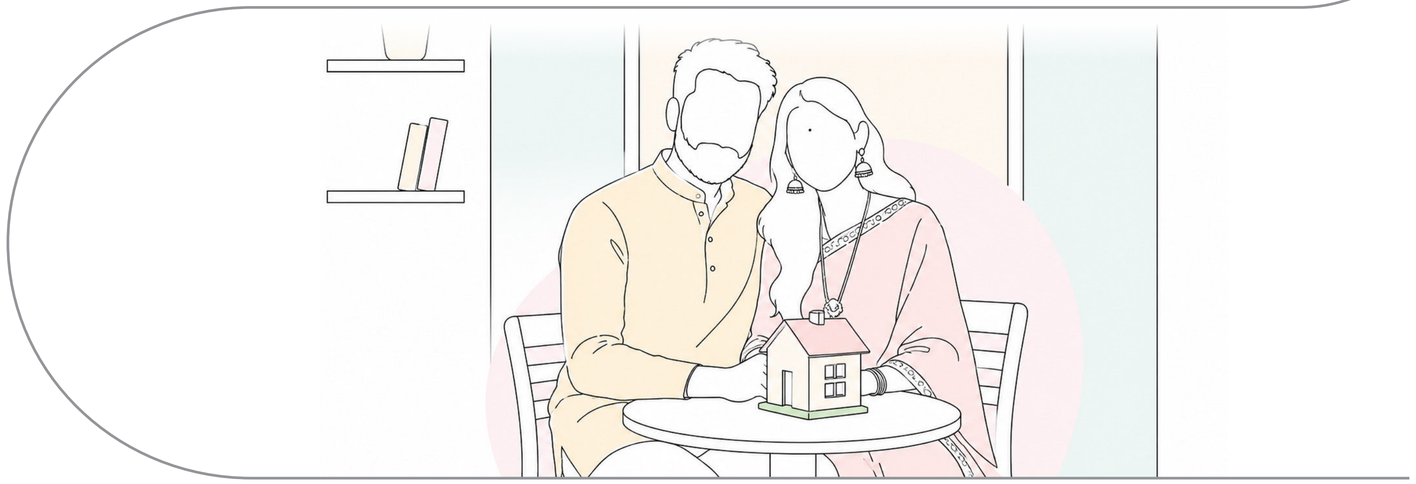
- Corporate Overview
- Human Capital
- Financial Capital
- Risk Management

Linkage with the Stakeholders

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

SDGs Impacted





I. DETAILS OF THE LISTED ENTITY:

Sr. no.	Particular	Details
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@equitas.bank.in
7.	Telephone	+91 44 4299 5000
8.	Website	www.equitas.bank.in
9.	Financial year for which reporting is being done	2025-26
10.	Name of the stock exchange(s) where shares are listed	BSE Limited
		National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 11,41,04,30,600
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@equitas.bank.in
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

II. PRODUCTS/SERVICES

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

Sr. 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):

Sr. 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%**

Products and Services

We offer a diversified portfolio of asset, liability and third-party products designed to meet the evolving financial needs of retail customers, micro-entrepreneurs, small businesses and institutions. Through our offerings, we seek to expand access to formal financial services, promote entrepreneurship, facilitate asset creation, encourage savings and investment, and strengthen financial resilience across customer segments. Our products contribute to inclusive growth and support the achievement of several United Nations Sustainable Development Goals (UNSDGs), particularly those related to poverty alleviation, health and well-being, economic growth, reduced inequalities, innovation and sustainable communities.

Product Category	Product Offerings	Value Created	Relevant SDGs
Asset Products (Loan Offerings)	Small Business Loans (SBL)	We support entrepreneurship, business expansion and employment generation by providing access to timely credit.	8, 9
	Vehicle Financing (Used Commercial Vehicle, New Commercial Vehicle, Used Passenger Car, New Passenger Car)	We enable livelihood creation, mobility and asset ownership for individuals and businesses.	8
	Microfinance and MicroLoans	We expand access to formal credit for underserved and financially excluded communities, promoting financial inclusion.	1, 8, 10
	Housing Finance	We facilitate affordable home ownership and long-term asset creation.	11
	MSE Finance	We support the growth, competitiveness and formalisation of micro and small enterprises.	8, 9
	NBFC Finance	We enhance credit availability through institutional partnerships and diversified financing channels.	8, 9
	Others (Gold Loans, Staff Loans, among others)	We address diverse financing requirements and short-term liquidity needs.	8

Product Category	Product Offerings	Value Created	Relevant SDGs
Liability Products (Deposit Offerings)	Savings Accounts (SA)	We encourage financial inclusion, savings discipline and long-term financial security.	1, 8, 10
	Current Accounts (CA)	We support the day-to-day banking and transaction needs of businesses, professionals and enterprises.	8
	Term Deposits	We enable customers to build secure savings and plan for future financial goals.	8
	Lockers	We provide secure custody solutions for customers' valuables and important documents.	11
	FASTag	We promote digital adoption and seamless payment experiences for customers.	9

Product Category	Product Offerings	Value Created	Relevant SDGs
Third-Party Products	Life Insurance Products (Traditional, Term, ULIP)	We help customers strengthen financial protection against life-related contingencies.	1, 3
	General Insurance Products (Motor, Fire, PA, Sachet)	We support customers in managing risks associated with assets and unforeseen events.	1, 11
	Health Insurance Products (including SAHI plans)	We enhance financial resilience by providing access to healthcare-related protection solutions.	3
	Mutual Funds (Lump Sum and SIP)	We facilitate wealth creation and long-term financial planning through investment opportunities.	8
	3-in-1 Account (Bank + Demat + Trading)	We provide integrated access to banking, investment and capital market services through a single platform.	8, 9

Through our lending, deposit, protection and investment offerings, we seek to create long-term value for customers while advancing financial inclusion, economic participation and sustainable development. Collectively, our products contribute to SDGs 1, 3, 8, 9, 10, and 11.

III. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	0	1,113 (1,060 Branches + 53 Other Offices*)	1,113 (1,060 Branches + 53 Other Offices*)
International	-	-	-

*Other Offices includes Corporate Office, Regional Offices and Zonal Offices among others

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	16 States & 2 UTs
International (No. of Countries)	0

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

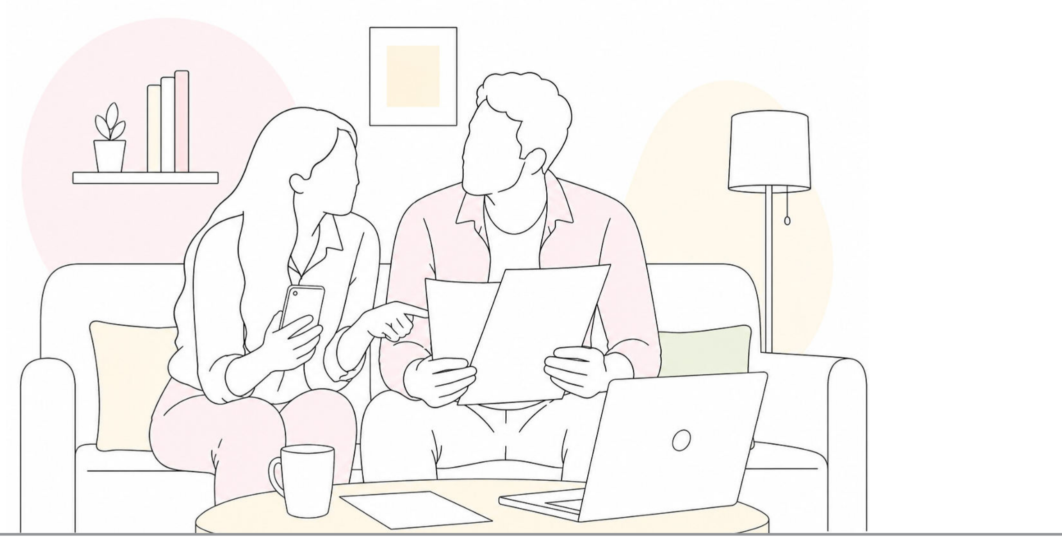
As our operations are domestic in nature and do not involve exports, this disclosure is not applicable.

c. A brief on types of customers

We serve a diverse customer base across retail, business, institutional and rural segments, reflecting our commitment to inclusive and accessible banking. Through our physical and digital channels, we cater to the varied financial needs of individuals, enterprises and institutions at different stages of their growth and financial journey.

Customer Segment	Key Customer Groups
Retail Customers	Children, youth, salaried individuals, families, senior citizens and Non-Resident Indians (NRIs)
Business Customers	Entrepreneurs, micro-enterprises, small business owners and MSMEs
Corporate Customers	Corporates across industries and commercial establishments
Rural and Agri Customers	Farmers and rural households
Institutional Customers	Trusts, Associations, Societies and Clubs (TASC)
Digital Customers	Millennials and digitally connected customers accessing banking services through digital platforms

Through our customer-centric products and services, we seek to promote financial inclusion, support entrepreneurship, facilitate economic participation and enhance financial well-being across the communities we serve.



IV. EMPLOYEES

20. Details as at the end of the 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)	28,058	24,733	88.15%	3,325	11.85%
2.	Other than permanent (E)	14	12	85.71%	2	14.29%
3.	Total employees (D + E)	28,072	24,745	88.15%	3,327	11.85%
	Workers					
4.	Permanent (F)	NA				
5.	Other than permanent (G)	NA				
6.	Total workers (F + G)	NA				

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	-
2.	Other than permanent (E)	0	0	0%	0	-
3.	Total employees (D + E)	1	1	100%	0	-
	Differently abled workers					
4.	Permanent (F)	NA				
5.	Other than permanent (G)	NA				
6.	Total workers (F + G)	NA				

21. Participation/Inclusion/Representation of women

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

22. Turnover rate for permanent employees and workers

Sr. no.	Particulars	2025-26			2024-25			2023-24		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
1.	Permanent employees	43%	46%	43%	34%	34%	34%	38%	38%	38%
2.	Permanent workers	-	-	-	-	-	-	-	-	-

We adopt a proactive and employee-centric approach to talent retention, focused on creating a rewarding work environment through competitive compensation, career growth opportunities, employee well-being, and continuous engagement. Our retention strategy is supported by data-driven insights that enable early identification of attrition risks and timely interventions.

Key initiatives undertaken during 2025-26 include:

- **Data-driven retention:** Leveraged machine learning-based attrition forecasting, structured onboarding touchpoints, employee surveys, and exit feedback analysis to proactively address retention challenges
- **Compensation and recognition:** Strengthened pay equity and market competitiveness through the Loyalty and PayBalance programmes, while recognising employee contributions through performance and long-service awards
- **Career development:** Accelerated growth opportunities for high-performing employees through the VALAR and GROW programmes, internal mobility initiatives, and structured leadership development pathways
- **Well-being and employee support:** Enhanced employee well-being through comprehensive healthcare benefits, mental wellness programmes, parental support, and financial assistance initiatives
- **Culture and engagement:** Fostered a strong sense of belonging through leadership connect forums, employee feedback mechanisms, and values-driven engagement programmes

Together, these initiatives support employee engagement, career satisfaction, and workforce stability, contributing to improved talent retention across the organisation.

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

23. 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.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 7,868 Crore

(iii) Net worth: ₹ 6,125 Crore

At Equitas, we view social responsibility as an integral part of our purpose. While expanding access to formal financial services remains at the heart of what we do, our commitment extends beyond banking to creating sustainable social impact. Through focused interventions in healthcare, education, and livelihoods, we work towards strengthening communities and improving quality of life. By voluntarily allocating 5% of our net profit towards these initiatives, we seek to create opportunities, enable inclusive development, and contribute to long-term societal progress.

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:

Sr. no.	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No/NA) (If yes, then provide web link for grievance redress policy)	2025-26			2024-25		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
1.	Communities	Yes, click here to access the policy	0	0	-	0	0	-
2.	Investors (other than shareholders)	Yes, click here to access the policy	0	0	-	0	0	-
3.	Shareholders	Yes, click here to access the policy	1	0	-	2	0	-
4.	Employees and workers	Yes, click here to access the policy	1	0	-	0	0	-
5.	Customers	Yes, click here to access the policy)	30,011	1,140	-	25,990	1,030	-
6.	Value chain partners	Yes, click here to access the policy)	0	0	-	0	0	-
7.	Others	NA	NA	NA	NA	NA	NA	NA

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

Material issue identified	Risk/ opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate (for risks)	Financial implications
Business Continuity	Risk	Given our exposure to small-ticket loans and geographically diverse operations, unplanned events such as natural disasters, regulatory changes, economic disruptions, or operational incidents may affect business continuity and service delivery	• We conduct regular risk assessments and business continuity planning exercises • We diversify our products, customer segments, and geographic presence to strengthen resilience • We engage proactively with regulators and key stakeholders to anticipate and respond to emerging risks	**Negative:** Disruptions may impact customer servicing, collections, and operational efficiency, resulting in financial losses and reputational impact
Product Innovation and Responsible Lending	Opportunity	We continuously invest in technology-enabled products and responsible lending practices to address the evolving needs of underserved customer segments while maintaining prudent risk management and regulatory compliance	NA	**Positive:** Enables business growth, expands financial inclusion, improves portfolio quality, and strengthens long-term profitability
Branding and Reputation	Risk	Our reputation is built on customer trust, service quality, and responsible business practices. Negative customer experiences, service disruptions, or reputational incidents may impact stakeholder confidence and business growth	• We focus on delivering a consistent customer experience across touchpoints • We monitor customer feedback and stakeholder sentiment regularly • We address grievances promptly and maintain transparent communication • We align our brand promise with responsible business practices	**Negative:** Reputational challenges may lead to customer attrition, reduced stakeholder confidence, and increased business and funding costs
Employee Wellbeing	Opportunity	We believe that investing in employee well-being enhances engagement, productivity, retention, and overall organisational performance, particularly across customer-facing and business-critical roles	NA	**Positive:** Improves employee retention and productivity, reduces absenteeism, and contributes to stronger business performance.
Values and Culture	Risk	Our values-driven culture forms the foundation of ethical conduct, compliance, customer trust, and employee engagement. Any erosion of these values may increase governance and operational risks	• We embed our values across performance management, leadership development, and employee recognition programmes • We strengthen awareness of ethical conduct through regular communication and training • We maintain robust whistleblower and grievance redressal mechanisms	**Negative:** Cultural misalignment may lead to compliance breaches, reputational damage, employee disengagement, and financial losses
Leadership Development and Succession	Risk	Effective leadership and succession planning are critical to sustaining business continuity, strategic execution, and organisational resilience. Insufficient leadership pipelines may create operational and governance risks	• We implement structured succession planning for critical roles • We invest in leadership development, mentoring, and capability-building initiatives • We identify and nurture high-potential talent to strengthen leadership readiness	**Negative:** Leadership gaps may impact decision-making, business continuity, and stakeholder confidence
Digital Transformation	Opportunity	We continue to invest in digital capabilities to improve operational efficiency, enhance customer experience, and extend access to financial services across underserved and emerging markets	NA	**Positive:** Enhances operational efficiency, improves customer acquisition and service delivery, lowers costs, and supports scalable growth

SECTION B:
MANAGEMENT AND PROCESS DISCLOSURES

At Equitas Small Finance Bank, responsible business conduct is guided by a robust policy framework that promotes ethical governance, accountability, and stakeholder trust. Strengthening this commitment, we have adopted a comprehensive Environmental, Social, and Governance (ESG) Policy that formalises our approach to integrating sustainability considerations into business strategy and operations. The policy provides a structured framework to identify, assess, and manage material ESG risks and opportunities, while ensuring alignment with regulatory expectations and evolving stakeholder priorities. Through strong governance mechanisms, defined responsibilities, and cross-functional collaboration, we continue to embed sustainability into our decision-making processes and long-term value creation approach.

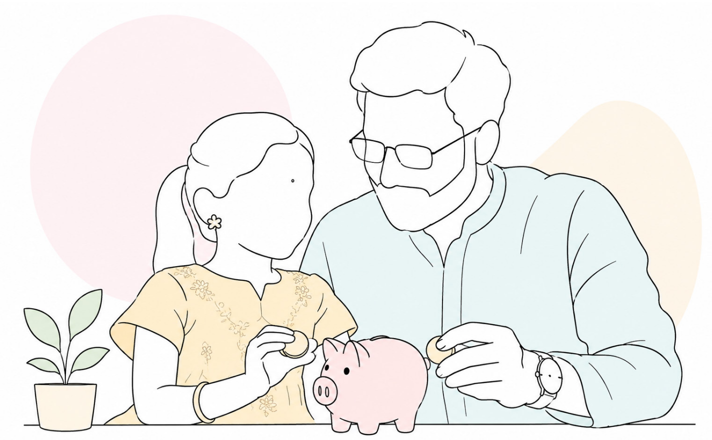
Linkage with the Integrated Report Capital

- Governance

Linkage with the Stakeholders

- Employees
- Value Chain Partners

SDGs Impacted



Sr. no.		Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

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:

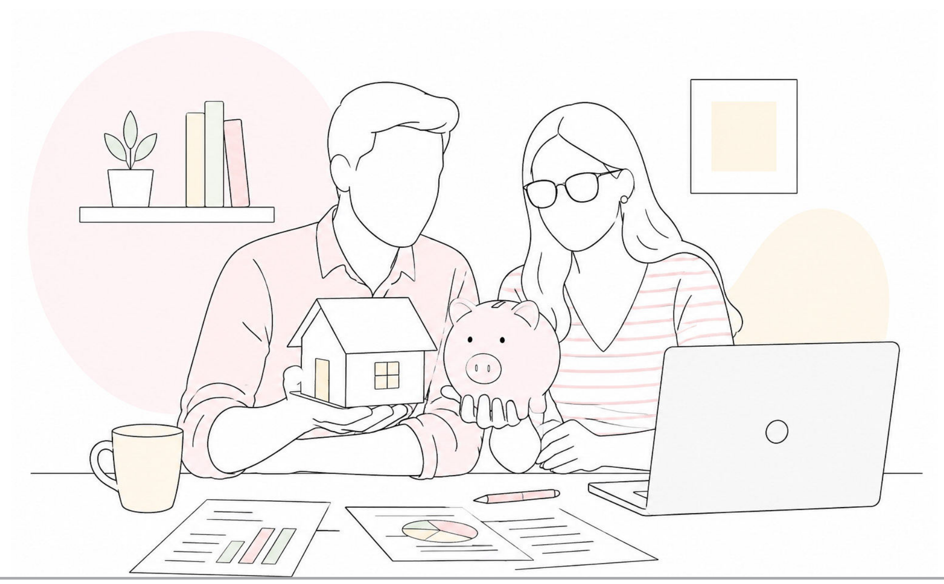
1. Code of Conduct for Directors
2. Code of Conduct for Senior Managers
3. CSR Policy
4. Customer Rights Policy
5. Data Privacy
6. Dividend Distribution Policy
7. Familiarisation Programme
8. Material Related Party Transactions Policy
9. Policy on Remuneration
10. Retention and Archival of Documents Policy
11. Whistle Blower Policy
12. Environmental Social and Governance Policy

Click here and here to access the above policies.

Sr. no.		Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a.	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
	b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	c.	Weblink of the policies, if available									

NGRBC Principle	Relevant Policies
P1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	Code of Conduct for Directors; Code of Conduct for Senior Managers; Whistle Blower Policy; Material Related Party Transactions Policy; ESG Policy
P2: Businesses should provide goods and services in a manner that is sustainable and safe	ESG Policy
P3: Businesses should respect and promote the well-being of all employees, including those in their value chains	Policy on Remuneration; Whistle Blower Policy; ESG Policy
P4: Businesses should respect the interests of and be responsive to all its stakeholders	CSR Policy; Whistle Blower Policy; ESG Policy
P5: Businesses should respect and promote human rights	Code of Conduct for Directors; Code of Conduct for Senior Managers; Whistle Blower Policy; ESG Policy
P6: Businesses should respect and make efforts to protect and restore the environment	ESG Policy
P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Not Applicable/No specific policy
P8: Businesses should promote inclusive growth and equitable development	CSR Policy; ESG Policy
P9: Businesses should engage with and provide value to their consumers in a responsible manner	Customer Rights Policy; Data Privacy Policy; ESG Policy

Sr. no.	Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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								
Governance, leadership and oversight										
7.	Statement by 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 in the Annual Report.								
8.	Details of the highest authority responsible for implementation and oversight of 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 Bank:

Sr. no.	Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (annually/half-yearly/quarterly/any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Performance against 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.								
2.	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.								

**Note: Policies wherever stated have been approved by the Board/Committee of the Board/Senior Management of the Bank or as required by extant regulations.*

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Evaluations are carried out internally, with Heads of Departments responsible for ensuring policies are implemented effectively. These policies are reviewed periodically at both the management and Board levels.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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

Trust is the foundation of banking, and we earn it the only way it can be earned, through conduct. We place the highest importance on integrity, transparency and accountability in everything we do. 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. Robust grievance redressal and whistle-blower mechanisms, regular audits and ongoing training ensure that every stakeholder, a customer in a remote branch, an employee in the field, a vendor or a regulator, can rely on us to act honestly and responsibly in every interaction.

Impact on Integrated Report Components

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

Stakeholders

- Employees
- Value Chain Partners

SDGs Impacted

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Essential Indicators

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

At Equitas, we recognise that training and awareness programmes play a critical role in embedding the principles of responsible business conduct across the Bank.

During 2025-26, we continued to strengthen awareness on ethics, transparency, employee well-being, workplace conduct, and human rights through a combination of structured learning interventions, leadership development programmes, induction initiatives, and targeted awareness campaigns.

Approximately 98.46% of our employees (excluding Board members and KMPs) received training on Principle 1 of the NGRBC, reinforcing our commitment to ethical conduct and accountability. Programmes such as Ethical Excellence in Action, C.O.R.E, Aarambh induction, POSH awareness sessions, well-being initiatives, and culture-focused interventions helped us integrate responsible business practices into everyday decision-making and employee behaviour across the Bank.

Sr. no.	Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by awareness programmes
1.	Board of Directors	1	Certificate Programme on IT and Cybersecurity for Board Members	9%
2.	Key Managerial Personnel(s)	1	Principle 1	50%
3.	Employees other than Directors and Key Managerial Personnel(s)	10,563	Principle 1	98.46%
4.	Workers	-	-	-

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.

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Monetary					
Penalty/Fine			Nil		
Settlement			Nil		
Compounding fee			Nil		
Non-Monetary					
Imprisonment			Nil		
Punishment			Nil		

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.

Sr. no.	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 in brief and if available, provide a weblink to the policy**

We maintain a robust Code of Conduct that strictly prohibits corruption and the acceptance of illegal gratification in any form. Under our policy, our employees must not use personal resources to carry out activities that can be performed using our assets, and any effort to disguise bribes as payments, gifts, or business courtesies is expressly forbidden. Our employees may not accept gifts, entertainment, or other incentives from existing or prospective customers or vendors; where such courtesies are received, they are treated as our property and may not be retained for personal use. Our employees are further prohibited from accepting any gift that could be construed as a bribe or that might compromise their professional judgement.

The Code of Conduct can be accessed by clicking on the link mentioned below:

Directors: Click here to access the Policy on Code of Conduct of Directors

Senior Management: Click here to access the Policy for Code of Conduct for Senior Management

For employees: It is available in the HR portal

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

Particular	2025-26 (Current Financial Year)	2024-25 (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:**

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.

Particular	2025-26 (Current Financial Year)		2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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.**

During the reporting period, we identified no instances of conflict of interest or corruption. We nonetheless remain fully prepared to respond to any such issues, should they arise, drawing on well-established policies and procedures designed to ensure their timely, diligent, and transparent resolution.

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

2025-26 (Current Financial Year)	Number of days of accounts payables	2024-25 (Previous Financial Year)
12		16

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:

Particulars	Metrics	2025-26	2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	NA	NA
	b. Number of dealers/distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties/Total purchases)	NA	NA
	b. Sales (Sales to related parties/Total sales)	NA	NA
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	NA	NA
	d. Investments (Investments in related parties/Total investments made)	NA	NA

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.

Ethical conduct is built into the way our Board operates. Two instruments anchor this: a dedicated Code of Conduct for Directors and a stringent policy governing material related party transactions. Together, they help us identify conflicts of interest before they take hold and deal with them in a manner that keeps decision-making fair and impartial. At the start of every Board meeting, Directors are expected to flag any potential conflict and step away from any discussion in which they have an interest. For 2025-26, we recorded no instances of conflict of interest or corruption.

02

PRINCIPLE

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

As a service-oriented financial institution, our direct environmental footprint is modest, but we believe a light footprint is no excuse for inaction. At Equitas, we are committed to practices that minimise environmental impact, promote operational safety and align with long-term sustainability goals. We remain fully compliant with applicable environmental regulations and continually look to go beyond compliance, embedding sustainability into our infrastructure, our increasingly paperless processes, and the way we engage every stakeholder.

Impact on Integrated Report Components

- Service Capital
- Social and Relationship Capital
- Financial Capital

Stakeholders

- Customers
- Government/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.

Sr. no.	Particulars	2025-26	2024-25	Details of improvements in environmental social impacts
1.	R&D	NA	NA	NA
2.	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?

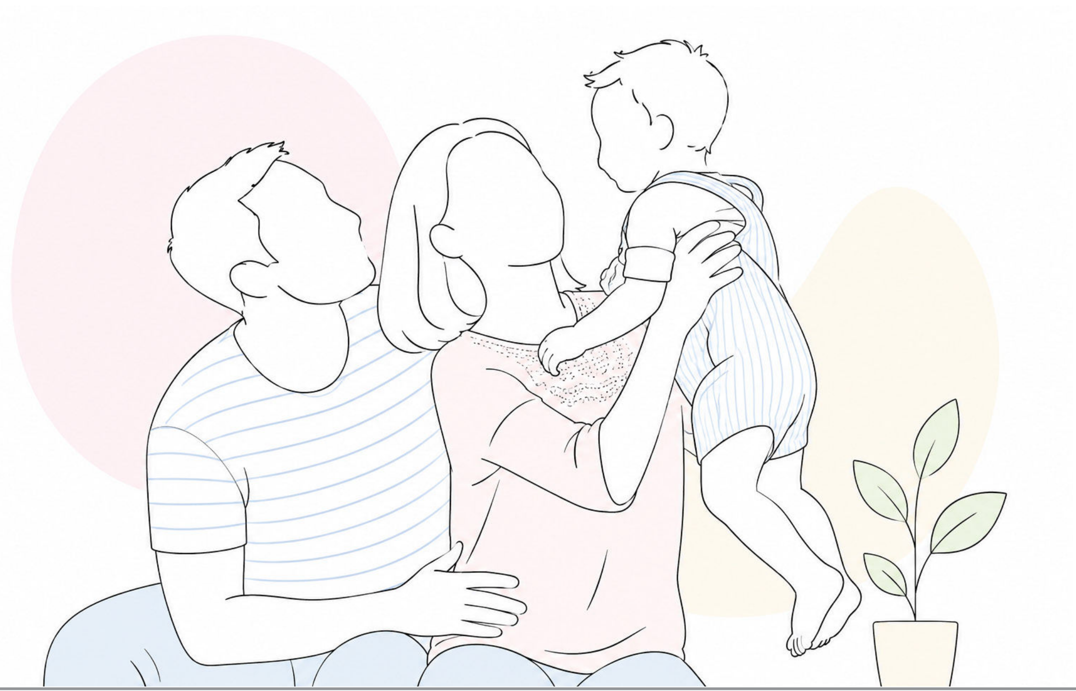
NA.

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 wellbeing of all employees, including those in their value chains

We are committed to a workplace where well-being and growth take centre stage, and where every colleague, from a relationship officer walking in a village lane to a leader in the corporate office, feels supported, heard and proud to belong. In 2025-26, guided by our philosophy of Care and Connect, we deepened our investment in leadership development, wellness, retention and diversity to build a safe, engaging and future-ready environment for our employees and those across our value chain.

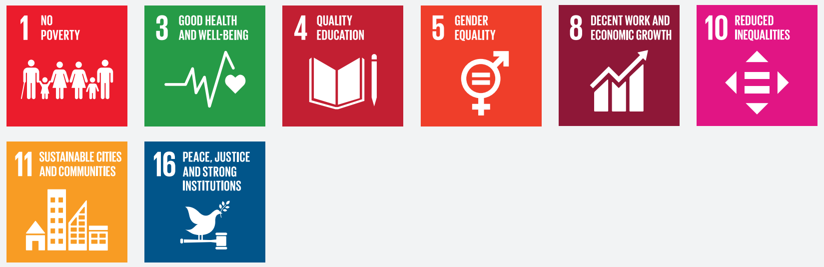
Impact on Integrated Report Components

- Human Capital

Stakeholders

- Employees
- Value Chain Partners
- Government/Regulators

SDGs Impacted



Living the Equitas Way

At Equitas, culture is one of our strongest differentiators. As we scale our business, expand into new markets and strengthen our capabilities, we remain committed to preserving the values-driven environment that has shaped our journey from the beginning. During 2025-26, we continued to deepen employee engagement, strengthen leadership behaviours and foster a workplace where people feel supported, connected and empowered to succeed.

Welcoming People into the Equitas Family

- Delivered structured onboarding through Aarambh, introducing employees to our purpose, values and ways of working
- Strengthened new-joiner integration through the 180-day integrate programme, helping employees settle into their roles and reducing early attrition

Creating a Workplace that Cares

- Conducted year-round health and wellness initiatives covering physical, mental and financial wellbeing
- Enhanced employee support through medical top-ups, corporate health buffers, OPD benefits and wellness partnerships
- Extended assistance beyond policy through interest-free emergency loans, leave donation programmes and other employee support initiatives

Recognising Performance and Potential

- Continued fast-track career progression opportunities through VALAR and GROW
- Introduced the Propel Awards platform to make recognition more transparent, timely and performance-oriented
- Celebrated long-serving employees through the Long Service Awards, recognising colleagues completing 5, 10 and 15 years with Equitas

Strengthening Employee Voice

- Expanded listening channels through Voice of Employee (VoE), ESAT surveys and Culture Pulse assessments
- Encouraged continuous dialogue through leadership interactions, HR branch visits and Branch Family Connect programmes
- Reinforced a culture of responsiveness through a continuous listen-act-improve approach

Embedding Values into Everyday Actions

- Introduced Equitas Way to guide leaders in building inclusive and culturally sensitive teams
- Reinforced ethical decision-making through Ethical Excellence in Action, featuring real-life workplace scenarios and value-based storytelling
- Launched C.O.R.E. (Celebrating Outstanding Results through Equitas Values) to recognise leaders who exemplify Equitas values while delivering business outcomes
- Integrated culture profiling into recruitment processes to strengthen values alignment from the point of hiring

Recognised by Our People

The strength of our culture is reflected in employee feedback and external recognition. During the year, our Culture Pulse Survey recorded an overall score of 4.36 out of 5.00. We were also honoured with a Silver Award at the Brandon Hall Excellence in Action Awards 2025 and ranked #1 in the Ambition Box Employee Choice Awards 2025 in both the Large Banking and Large Companies categories, reaffirming our commitment to creating a workplace where people can thrive.

Essential Indicators

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

Our employee wellbeing framework is designed to provide comprehensive health, financial and family support through a range of benefits that enhance security and peace of mind.

Key Wellbeing Benefits

- Comprehensive Group Medical Coverage (GMC) for employees and eligible family members
- Inclusion of parents and parents-in-law under the GMC programme
- Removal of age restrictions for differently abled children under medical coverage
- Coverage of organ donor medical expenses up to the sum insured
- Continuation of family medical coverage for the balance policy period in the event of an employee's demise
- GMC top-up options and corporate medical buffers for enhanced protection
- Voluntary OPD insurance plans with multiple coverage options
- Access to discounted healthcare services through partner healthcare networks
- Interest-free emergency loans to support employees during unforeseen circumstances
- Leave donation programme to assist colleagues facing personal or medical emergencies
- Financial assistance and beyond-policy support during periods of hardship
- Employee Assistance Programme (EAP) providing professional counselling and emotional support
- Access to holistic wellbeing resources focused on physical, mental and emotional health

Through these benefits, we seek to create a supportive ecosystem that promotes the health, wellbeing and financial security of our employees and their families.

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	24,733	24,733	100%	24,733	100%	0	0%	1,168	4.72%	1,322	5.35%
Female	3,325	3,325	100%	3,325	100%	261	7.85%	0	0%	579	17.41%
Total	**28,058**	**28,058**	**100%**	**28,058**	**100%**	**261**	**0.93%**	**1,168**	**4.16%**	**1,901**	**6.78%**
Other than permanent employees											
Male	12	6	50%	6	50%	0	0%	0	0%	0	0%
Female	2	1	50%	1	50%	0	0%	0	0%	0	0%
Total	**14**	**7**	**50%**	**7**	**50%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

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

We do not have any personnel classified as 'workers'; accordingly, this disclosure is not applicable.

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

2025-26 (Current Financial Year)	Cost incurred on wellbeing measures as a % of total revenue of the Company	2024-25 (Previous Financial Year)
0.96%		0.78%

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Sr. no.	Benefit	2025-26			2024-25		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
1.	PF	100%	NA	Yes	100%	NA	Yes
2.	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
3.	ESI	0	NA	NA	0	NA	NA
4.	Others	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. We are committed to fostering an inclusive and accessible workplace for all employees and customers. To assess and enhance accessibility across our premises, a feasibility study was undertaken by the Infrastructure (Administration) team. Based on the assessment, accessibility measures, including the installation of ramps at feasible locations, have been implemented. We continue to evaluate opportunities to strengthen accessibility infrastructure in line with applicable regulatory requirements and evolving needs.

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.**

While we do not currently have a standalone Equal Opportunity Policy under the Rights of Persons with Disabilities Act, 2016, our commitment to equality, diversity and inclusion is embedded within our Code of Conduct and people practices. We provide equal opportunities in employment and ensure that decisions relating to recruitment, training, development and career progression are based on merit, without discrimination on the basis of disability or any other protected characteristic. We remain committed to fostering a respectful, inclusive and equitable workplace for all employees.

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

Supporting Parenthood

We recognise that becoming a parent is one of life's most significant milestones. Our parental leave and family support policies are designed to help employees navigate this transition with confidence, while balancing personal responsibilities and professional aspirations.

Our Approach to Parental Support

- Comprehensive parental leave benefits in line with regulatory requirements and industry best practices
- Supportive return-to-work environment to help employees transition smoothly following parental leave
- Family-inclusive medical coverage that extends healthcare protection to eligible dependents
- Enhanced parental benefit claims through a simplified digital benefits platform
- Access to employee wellbeing resources covering physical, emotional and financial wellness
- Creche facilities and childcare support provisions for eligible employees
- Flexible HR support and manager engagement during key life-stage transitions
- Inclusive policies that foster a supportive and family-friendly workplace culture

Through these initiatives, we strive to create an environment where employees can embrace parenthood while continuing to build meaningful and fulfilling careers at Equitas.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	55%	NA	NA
Female	100%	46%	NA	NA
Total	**100%**	**53%**	**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.**

At Equitas, we are committed to fostering a workplace where employees feel heard, valued and respected. Our grievance redressal framework provides employees with accessible channels to raise workplace concerns and seek timely resolution in a fair, transparent and confidential manner.

The framework is supported by dedicated HR teams, structured escalation mechanisms and leadership oversight to ensure concerns are addressed appropriately and objectively. Regular employee feedback platforms, including Voice of Employee (VoE) initiatives and engagement surveys, further strengthen our culture of open communication and continuous improvement.

By promoting transparent dialogue and responsive action, we strive to maintain a positive and inclusive work environment built on trust and accountability.

Sr. no.	Particular	Yes/No (If yes, then give details of the mechanism in brief)
1.	Permanent workers	NA
2.	Other than permanent workers	NA
3.	Permanent employees	Yes
4.	Other than permanent employees	Yes

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

Category	2025-26			2024-25		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total permanent employees						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Total permanent workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

8. **Details of training given to employees and workers:**

Gender	2025-26					2024-25				
	Total (A)	On health and safety measures		On skill upgradation		Total (A)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	24,733	3,580	14.47%	24,463	98.91%	22,205	2,953	13%	22,070	99.40%
Female	3,325	895	26.92%	3,225	96.99%	3,204	782	24%	3,168	99.00%
Total	**28,058**	**4,475**	**15.95%**	**27,688**	**98.68%**	**25,409**	**3,735**	**15%**	**25,238**	**99.30%**
Workers										
Male										
Female	NA					NA				
Total										

We grow our people so they can grow with the Bank. During 2025-26, we continued to strengthen our learning ecosystem through structured development pathways, leadership interventions, role-based capability building and digital learning opportunities, enabling employees to build the skills required for a rapidly evolving financial services landscape.

Key learning and development initiatives during the year included:

- **Individual Development Plans (IDPs):** Transitioned from planning to focused execution, enabling employees to pursue structured development journeys aligned with their career aspirations and business requirements
- **Leadership Development:** Leaders participated in action-learning projects, cross-functional assignments, mentoring engagements and external development programmes to strengthen strategic and people leadership capabilities
- **Ascend Programme:** Delivered a tiered learning journey for Branch Managers within the Liabilities business, covering foundational, intermediate and advanced leadership competencies
- **ARISE Programme:** Created growth opportunities for high-potential employees in the Assets business through Internal Job Postings (IJPs) and structured career progression pathways
- **Role Readiness Programme:** Accelerated the onboarding and field readiness of new employees through focused capability-building interventions
- **Functional Capability Building:** Conducted targeted training programmes in receivables management, customer relationship management (CRM) and operational excellence to strengthen business performance
- **Customer Service Officer Certification:** Introduced a cross-functional certification programme to enhance service delivery, process knowledge and customer engagement capabilities
- **Senior Leadership Learning:** Members of MANCO, CXOs and Senior Management participated in specialised programmes delivered by leading institutions such as IDRBT, ISACA, IIA, UIDAI and KPMG, covering areas including cybersecurity, governance, risk and compliance, internal audit, financial crime risk, treasury, finance, digital payments and Generative AI
- **Behavioural Learning:** Delivered over **4,850 hours** of in-house behavioural training, benefiting more than **2,400 participants** across the Bank
- **Micro-Learning Formats:** Introduced innovative learning interventions such as **Impact 90** and **Spark 120**, providing focused, bite-sized learning experiences
- **Digital Learning Adoption:** Encouraged continuous learning through Skillsoft, recording an average of **4.9 learning hours per learner** and more than **3,400 badges earned** during the year
- **Learning Investment:** Employees invested an average of **5.51 learning man-days** each in professional development during 2025-26
- **Hire-Train-Deploy Model:** Strengthened frontline talent pipelines through a structured programme that onboarded and trained over **300 Business Development Officers** before deployment

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

We are committed to nurturing internal talent and enabling employees to realise their full potential through a structured performance and development framework. Key initiatives include:

- Regular performance and career development reviews to identify and support high-potential employees
- Targeted learning and development interventions aligned with individual growth aspirations and business needs
- Leadership and talent development programmes such as **VALAR CEP, VALAR PET, Potential Hero,** and **S.T.A.R.** to strengthen capabilities and prepare employees for future roles
- Transparent and merit-based career progression opportunities that promote a culture of continuous learning and performance excellence

Gender	2025-26			2024-25		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees						
Male	24,733	18,885	76%	22,205	16,625	75%
Female	3,325	2,594	78%	3,204	2,537	79%
Total	**28,058**	**21,479**	**77%**	**25,409**	**19,162**	**75%**

Gender	2025-26			2024-25		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Workers						
Male						
Female		NA			NA	
Total						

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 of such a system?

Yes. We have implemented workplace health and safety measures across our offices and branches, including:

- Dedicated Emergency Response Teams (ERTs) with trained personnel at key locations
- Periodic fire drills and emergency preparedness exercises
- Fire safety infrastructure and evacuation protocols across our premises
- Regular awareness programmes on workplace health and safety
- Preventive health and hygiene measures implemented across locations, as required

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

We follow a proactive approach for identifying and managing workplace risks through:

- Our 'Voice of Employee' platform, which enables employees to report workplace concerns, including safety-related issues
- Periodic reviews of workplace conditions and infrastructure
- Monitoring and mitigation of risks associated with field operations
- Verification of valid driving licences for employees engaged in field activities
- Regular communication on safe driving practices and the mandatory use of protective gear, including helmets for two-wheeler riders

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

NA

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

Yes. We provide a range of healthcare and wellness benefits, including:

- Group Medical Coverage (GMC) and voluntary top-up options
- Corporate medical buffer support for eligible cases
- Preventive health check-ups and wellness screening programmes
- Vaccination drives and health awareness initiatives
- OPD benefits, including dental and vision care coverage
- 24x7 Employee Assistance Programme (EAP) for mental health and counselling support
- Access to digital wellness platforms such as RoundGlass Living and Alyve Health

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

Sr. no.	Safety incident/number	Category	2025-26	2024-25
1.	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
		Workers	NA	NA
2.	Total recordable work-related injuries	Employees	1	11
		Workers	NA	NA
3.	No. of fatalities	Employees	7	6
		Workers	NA	NA
4.	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:

We are committed to fostering a workplace where employees can thrive physically, mentally and professionally. Our approach extends beyond occupational safety and focuses on holistic well-being through preventive healthcare, mental wellness, work-life support and access to quality healthcare services.

Physical Well-being

- We organise regular health screening camps, wellness camps, doctor consultations and vaccination drives to encourage preventive healthcare
- We promote active lifestyles through yoga sessions, fitness challenges, sports activities, marathons and ergonomic wellness programmes
- Employees have access to digital wellness resources through platforms such as RoundGlass Living

Healthcare Support

- We provide Group Medical Coverage (GMC), voluntary top-up options and corporate buffer support to strengthen employees' financial protection against healthcare expenses
- Employees are covered under OPD benefits, including dental and vision care
- We facilitate access to quality healthcare through partnerships with healthcare providers and discounted medical services
- Additional medical and emergency support is extended to employees engaged in field operations, wherever required

Mental Wellbeing

- We provide a 24x7 Employee Assistance Programme (EAP) that offers confidential counselling and professional support services
- We conduct awareness sessions and well-being initiatives focused on stress management, emotional resilience and mental wellness

Inclusive and Supportive Workplace

- We maintain a Prevention of Sexual Harassment (POSH) framework to promote a respectful, safe and inclusive work environment
- We support employees with caregiving responsibilities through facilities such as the creche available at our Head Office
- Throughout the year, we implement engagement and awareness initiatives that encourage healthy lifestyles, well-being and a supportive workplace culture

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

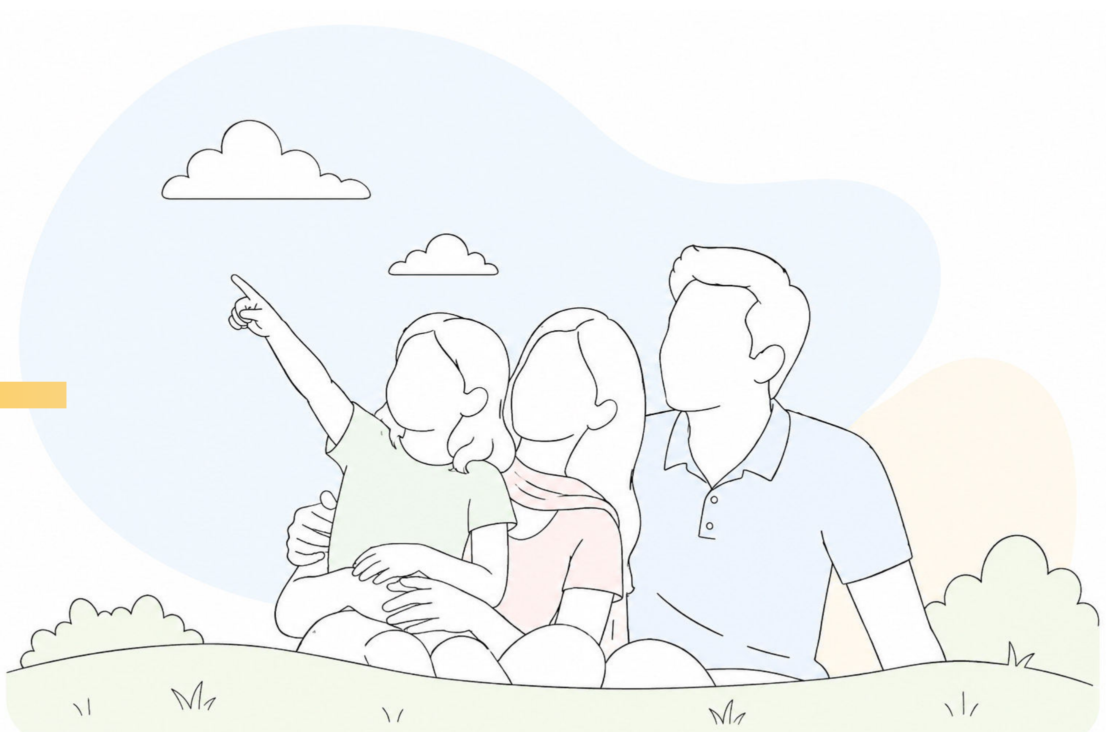
Sr. no.	Particulars	2025-26			2024-25		
		Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
1.	Working conditions	0	0	NA	0	0	NA
2.	Health and safety	0	0	NA	0	0	NA

14. Assessments for the year:

Sr. no.	Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
1.	Health and safety practices	0
2.	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.

NA.



Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No).**

   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:**

Sr. no.	Particular	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family	
		2025-26	2024-25	2025-26	2024-25
1.	Employees	7	6	NA	NA
2.	Workers	NA	NA	NA	NA

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.

5. **Details on assessment of value chain partners:**

Sr. no.	Particulars	% of value chain partners (by value of business done with such partners) that were assessed
1.	Health and safety practices	NA
2.	Working conditions	NA

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   NA.

04 PRINCIPLE

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

We grow strongest when we listen. Active, inclusive engagement with our stakeholders, including customers, employees, investors, regulators and communities, is how we build trust, create shared value and stay relevant. We maintain continuous, two-way dialogue to understand expectations and respond with accountability and transparency, and we embed that feedback into our decisions so that our strategy keeps pace with the evolving needs and priorities of the people we serve.

Impact on Integrated Report Components

- Human Capital
- Social and Relationship Capital

Stakeholders

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

SDGs Impacted

Essential Indicators

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

   We follow a structured, five-step process to identify and prioritise key stakeholder groups, guided by the principles of inclusivity, transparency and proactive communication:

   - Reviewing our stakeholder universe
   - Clarifying the purpose of engagement
   - Assessing influence and impact
   - Understanding stakeholder expectations
   - Prioritising stakeholders most critical to our sustainability and value-creation journey

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 and 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
Employees	NA	Email, SMS, WhatsApp, workgroups (HRMS portal), notice boards, audio bridge calls, one-on-one meetings through branch visits, HR, and MS Teams	As and when the need arises	Policy changes/implementation, leadership role changes, employee benefits, trading-window closure, 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
Investors and shareholders	No	Email, newspapers, quarterly reports, press releases, websites, investor conferences and analyst meets, earnings calls, and branch visits	Quarterly/ Need-based	Financial results, AGM, dividend intimation, fund-raise and merger/ demerger intimation, company guidance and strategy
Government and regulatory authorities	No	Regulatory filings, compliance statements, meetings, and Email	Need-based	Licence request and renewal, compliance with filings and other regulatory requirements, participation in government financial-sector plans and programmes
NGOs and local community	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
Value Chain Partners	No	Emails, meetings, phone calls, supplier reviews, vendor audits, and digital collaboration platforms	Ongoing and need-based	Product and service quality, technology support, commercial and contractual terms, operational coordination, timely delivery, compliance with quality and regulatory

05 PRINCIPLE

Businesses should respect and promote human rights

Every customer and every colleague deserves to be treated with fairness, safety and dignity. At Equitas, we are committed to delivering financial products and services responsibly, with a strong emphasis on customer safety, ethical conduct and human rights. Our Fair Practices Code and Employee Code of Conduct set clear expectations for transparency and respect in every interaction, and we work continuously to build secure, inclusive and trustworthy systems - physical and digital - that protect our customers and support their long-term well-being.

Impact on Integrated Report Components

- Human Capital
- Social and Relationship Capital
- Governance

Stakeholders

- Employees
- Suppliers

SDGs Impacted

Fostering a Rights-Respecting Culture

A respectful workplace is built deliberately, not by chance. We conduct structured training that educates our people on their rights, their 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 2025-26 we made ethics tangible and everyday. Through 'Ethical Excellence in Action', developed with our Vigilance team, we brought real ethical dilemmas to life through story-board communication, and introduced a Culture Profiling Tool into recruitment to assess the cultural alignment of new entrants from the very start. The 'Equitas Way' gave leaders a regional culture-sensitivity guide for engaging respectfully with diverse teams, while C.O.R.E (Celebrating Outstanding Results through Equitas Values) helped Branch Managers translate our values into the everyday behaviours their teams see and feel.

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:

Category	2025-26			2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	28,058	25,147	90%	25,409	23,244	92%
Other than permanent	14	0	NA	21	0	NA
Total employees	**28,072**	**25,147**	**90%**	**25,430**	**23,244**	**92%**
Workers						
Permanent						
Other than permanent		NA			NA	
Total workers						

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

Category	2025-26					2024-25				
	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)
Permanent employees										
Male	24,733	0	NA	24,733	100%	22,205	0	NA	22,205	100%
Female	3,325	0	NA	3,325	100%	3,204	0	NA	3,204	100%
Total	**28,058**	**0**	**NA**	**28,058**	**100%**	**25,409**	**0**	**NA**	**25,409**	**100%**
Other than permanent employees										
Male	12	0	NA	12	100%	15	0	NA	15	100%
Female	2	0	NA	2	100%	6	0	NA	6	100%
Total	**14**	**0**	**NA**	**14**	**100%**	**21**	**0**	**NA**	**21**	**100%**
Permanent workers										
Male										
Female			NA					NA		
Total										
Other than permanent workers										
Male										
Female			NA					NA		
Total										

3. Details of remuneration/salary/wages

a. Median remuneration/wages

Sr. no.	Category	Male		Female	
		Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
1.	Board of Directors	10	₹ 10,00,000	1	₹ 10,00,000
2.	Key Managerial Personnel	4	₹ 2,19,08,015	0	0
3.	Employees other than the Board of Directors and Key Managerial Personnel	24,729	₹ 3,82,709	3,325	₹ 3,74,165
4.	Workers	NA	NA	NA	NA

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

2025-26 (Current Financial Year)	Gross wages paid to females as a % of total wages	2024-25 (Previous Financial Year)
9.91%		9.63%

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)**

Yes.

We have established a structured governance framework to oversee and address human rights-related concerns across the organisation.

Our framework is supported by:

- The Disciplinary Committee and Appellate Authority, which provide oversight for employee-related concerns and disciplinary matters
- Dedicated support from Human Resources, Vigilance, Risk Containment Unit (RCU), Regional Operations Managers and Functional Heads
- Clearly defined roles and responsibilities for investigating, reviewing and resolving reported concerns
- Escalation mechanisms that enable concerns to be reviewed at appropriate levels based on severity and impact
- Leadership oversight to ensure consistency, objectivity and accountability in decision-making

Through this multi-layered approach, we seek to ensure that concerns are addressed promptly, fairly and in accordance with our values, policies and regulatory requirements

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

We maintain a transparent and accessible grievance redressal framework that enables employees to raise concerns and seek resolution through multiple channels.

Key elements of our grievance redressal mechanism include:

- Multiple reporting avenues, including reporting managers, HR representatives and designated grievance authorities
- Clearly defined escalation processes to facilitate timely review and resolution
- Structured governance involving business leaders, HR and designated committees where required
- Time-bound resolution processes supported by regular monitoring and follow-up
- Confidential handling of complaints to protect the privacy of all stakeholders involved
- Fair and impartial review of concerns based on established policies and procedures
- Documentation and tracking of grievances to ensure transparency and accountability
- Protection against retaliation for employees who raise concerns in good faith

In addition to formal grievance channels, we encourage employees to share feedback and concerns through ongoing engagement platforms such as Voice of Employee (VoE) initiatives, employee surveys, HR interactions and leadership connects. These mechanisms help us identify concerns early, strengthen workplace practices and continuously improve the employee experience.

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

Category	2025-26			2024-25		
	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	16	0	NA	18	3	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

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

Sr. No.	Particulars	2025-26	2024-25
1.	Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	16	18
2.	Complaints on POSH as a % of female employees/workers	0.5%	0.6%
3.	Complaints on POSH upheld	13	12

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

We are committed to ensuring that individuals who raise concerns can do so without fear of retaliation, discrimination or adverse consequences.

To safeguard complainants and witnesses, we have implemented the following measures:

- Strict confidentiality requirements covering complainants, respondents, witnesses and all investigation-related information
- Restricted access to complaint records and investigation outcomes on a need-to-know basis
- Independent review and assessment processes to promote objectivity and fairness
- Protection against retaliation, victimisation or any form of adverse treatment for individuals reporting concerns in good faith
- Defined investigation and resolution procedures aligned with applicable laws and internal policies
- Awareness programmes that encourage employees to report concerns and seek support whenever required
- Oversight by designated committees and authorised personnel to ensure procedural fairness and accountability

These measures support a culture of trust, respect and psychological safety, enabling employees to speak up confidently and contribute to a positive workplace environment.

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

Yes. Respect for human rights is embedded within our governance framework, policies and business practices. Our Code of Conduct, people policies and stakeholder engagement practices promote ethical behaviour, equal opportunity, non-discrimination and fair treatment. We expect our employees, business partners and service providers to uphold these principles and conduct business in a responsible and respectful manner.

10. **Assessments for the year:**

Sr. No.	Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
1.	Child labour	NA
2.	Forced labour/involuntary labour	NA
3.	Sexual harassment	NA
4.	Discrimination at workplace	NA
5.	Wages	NA
6.	Others	NA

11. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

No significant human rights risks or concerns requiring corrective action were identified during 2025-26.

We continue to strengthen our preventive approach through employee awareness programmes, ethical conduct initiatives, grievance redressal mechanisms and periodic policy reviews. These efforts help reinforce a workplace culture founded on dignity, inclusion, fairness and respect.

06 PRINCIPLE

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

We hold a simple conviction: an institution that finances the future has a duty to protect it. Even as a service-oriented bank with limited direct ecological impact, we work to embed environmental sustainability into our operations through energy-efficient infrastructure, responsible resource use, digitalisation and waste reduction, while supporting our customers and partners in doing the same as we advance towards a low-carbon, resource-efficient future.

Impact on Integrated Report Components

- External Environment
- Natural Capital

Stakeholders

- Local Communities
- Government/Regulators
- Value Chain Partners

SDGs Impacted

Policy Framework

Our commitment to sustainable and inclusive growth is underpinned by a robust policy framework that integrates ESG considerations into our business and lending practices. Our Micro and Small Enterprises (MSE) Policy is aligned with our overarching ESG Policy, enabling us to incorporate environmental and social risk considerations into credit evaluation and decision-making processes.

Beyond policy integration, we continue to foster an ESG-conscious culture across our operations. Through initiatives such as digital documentation, electronic workflows, and email-based communication, we encourage responsible resource use and reduce our environmental footprint.

We are also leveraging technology to advance paperless banking and enhance customer convenience. For our microfinance customers, the Pragati Card, a QR code-based digital solution, has replaced traditional sticker-based collection mechanisms while also serving as a digital passbook. This innovation improves accessibility and customer experience while significantly reducing paper consumption.

Our broader digital banking ecosystem further supports sustainable operations through:

- Email-based account statements and customer communications
- Internet and mobile banking platforms
- E-wallet and digital payment solutions
- Electronic toll collection services
- Digital loan processing through our Loan Origination System (Hetra)
- Green PIN technology for secure, paper-free debit card activation

Through these initiatives, we continue to embed sustainability into our products, processes, and customer interactions, creating value while reducing resource consumption and promoting responsible banking practices.

Essential Indicators

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

Parameter	2025-26	2024-25
From renewable sources (in Gigajoule (GJ)		
Total electricity consumption **(A)**	NA	NA
Total fuel consumption **(B)**	NA	NA
Energy consumption through other sources **(C)**	NA	NA
Total energy consumed from renewable sources (A+B+C)	NA	NA
From non-renewable sources (in Gigajoule (GJ))		
Total electricity consumption **(D)**	6,750.19	6,761.44
Total fuel consumption **(E)**	1,660.25	1,910.09
Energy consumption through other sources **(F)**	NA	NA
Total energy consumed from non- renewable sources **(D+E+F)**	8,410.44	8,671.52
Total energy consumed (A+B+C+D+E+F)	**8,410.44**	**8,671.52**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations) (GJ per ₹)	0.00000012	0.00000014
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (GJ per US$)	0.00000252	0.00000284
Energy intensity in terms of physical output (Total energy consumed/Employee)	3.52	3.94
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: The numbers for 2024-25 have been restated.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, 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? (Yes/No)**

   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

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

Parameter	2025-26	2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Ground water	NA	NA
(iii) Third party water	3,78,972.00	3,43,305.00
(iv) Seawater/desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,78,972.00	3,43,305.00
Total volume of water consumption (in kilolitres)	3,78,972.00	3,43,305.00
Water intensity per rupee of turnover (Total water consumption/Revenue from operations) (KL per ₹)	0.0000056	0.0000054
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) (KL per US$)	0.0001135	0.0001124
Water intensity in terms of physical output (Total water consumption/Employee)	13.50	13.50
Water 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? (Yes/No) If yes, name of the external agency.

No

4. **Provide the following details related to water discharged:**

Parameter	2025-26	2024-25
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		
With treatment – please specify level of treatment		
(iii) To Seawater		
No treatment	NA	
With treatment – please specify level of treatment		
(iv) Sent to third parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
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? (Yes/No) 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	2025-26	2024-25
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)		NA	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No

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

Parameter	Please specify unit	2025-26	2024-25
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 ($MtCO_2e$)	124.37	143.08
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 ($MtCO_2e$)	1,331.29	1,333.51
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations) ($MtCO_2e$ per ₹)	$MtCO_2e$/₹	0.000000021	0.000000023
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) ($MtCO^2e$ per US$)	$MtCO_2e$/US$	0.000000436	0.000000483
Total Scope 1 and Scope 2 emission intensity in terms of physical output	$MtCO_2e$/Employee	0.61	0.67
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	--	NA	NA

Note: The numbers for 2024-25 have been restated.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, 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. Guided by our ESG Policy, we undertake several initiatives to reduce greenhouse gas (GHG) emissions by improving energy efficiency, minimising resource consumption and accelerating digital transformation across our operations. Key initiatives include:

- Optimising HVAC operating schedules to reduce energy consumption across offices and branches
- Replacing conventional lighting systems with energy-efficient CFL and LED fixtures
- Procuring energy-efficient office equipment and appliances
- Transitioning to digital Board and Committee papers, reducing paper usage and associated emissions
- Implementing digital loan origination systems to minimise physical documentation and manual processes
- Promoting paperless banking through digital technologies such as tablets, video banking and video KYC
- Encouraging digital communication and electronic document management practices across the organisation

These initiatives collectively contribute to lowering our operational carbon footprint while enhancing efficiency and supporting sustainable business practices.

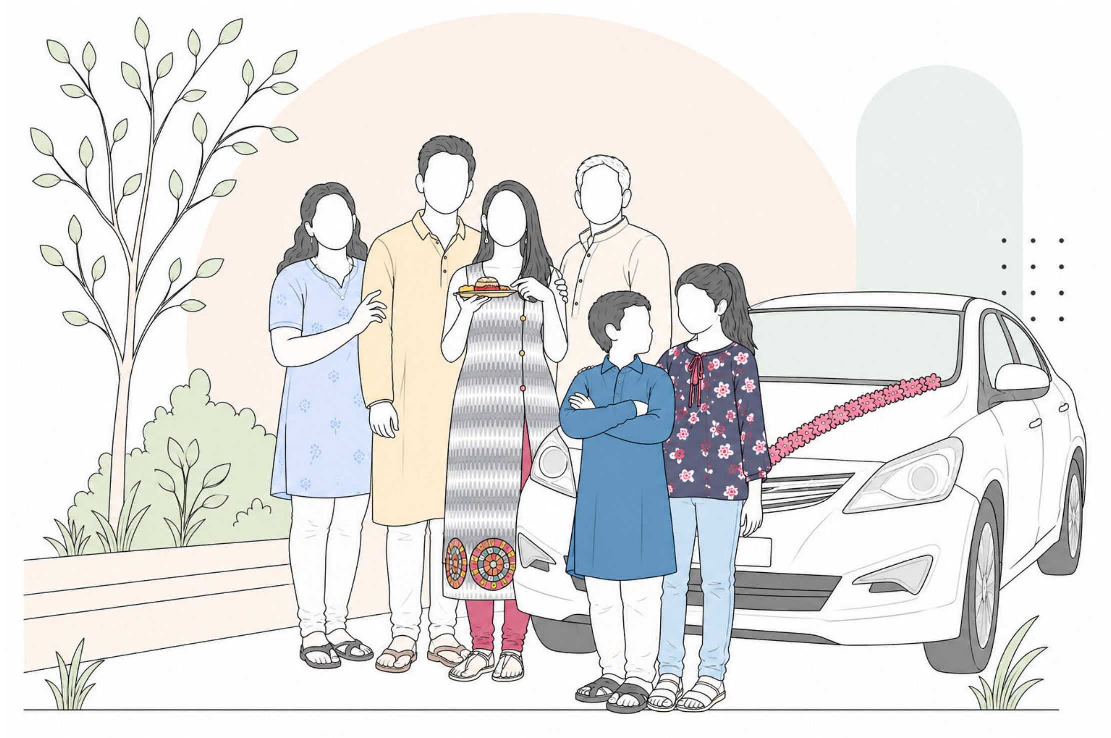
9. **Provide details related to waste management by the entity, in the following format:**

Parameter	2025-26	2024-25
Total waste generated (in metric tonnes)		
Plastic waste **(A)**	NA	NA
E-waste **(B)**	7.89	15.25
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 **(G)**	NA	NA
Other Non-hazardous waste generated **(H)**	NA	NA
Total (A+B + C + D + E + F + G + H)	**7.89**	**15.25**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations) (Waste intensity per ₹)	0.00000000012	0.0000000002
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP) (Waste intensity per US$)	0.00000000236	0.0000000050
Waste intensity in terms of physical output (Total waste generated/Employee)	0.0003	0.0006
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Parameter	2025-26	2024-25
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	7.89	13.73
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**7.89**	**13.73**
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? (Yes/No) If yes, 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 involve limited use of hazardous or toxic materials. We focus on responsible waste management through the safe disposal of general waste in collaboration with local municipal authorities and the environmentally sound disposal of e-waste through authorised recyclers and vendors. We also undertake measures to minimise plastic consumption across our operations.

Our digital-first approach further supports waste reduction by minimising paper usage and associated waste generation. Customer onboarding is conducted through e-KYC integrated with the NSDL platform, loan agreements are digitally executed through e-signatures, and all new microfinance customers are onboarded through e-KYC, with e-signature adoption ranging more than 90%. These initiatives help reduce resource consumption while enhancing operational efficiency.

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:

We do 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:

We adhere to all relevant environmental laws/regulations/guidelines in India.

Leadership Indicators

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

Sr. No.	Parameter	Unit	2025-26	2024-25
1.	**Total Scope 3 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	478.31	249.99
2.	**Total Scope 3 emissions per rupee of turnover** (MtCO^{2}e per ₹ in Crore)	Metric tonnes of CO_2 equivalent	0.0000000070	0.0000000040
3.	**Total Scope 3 emission 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? (Yes/No) If yes, name of the external agency.

No

07 PRINCIPLE

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

When we engage with public policy, we do so to make the financial system fairer and more inclusive, never narrowly. Our participation in trade bodies, industry associations and collaborative forums lets us contribute sectoral insight, learn from peers and stay aligned with regulatory developments, and we work closely with government agencies, academic institutions and peer organisations to address broader social and environmental challenges in a manner that is responsible and transparent.

Impact on Integrated Report Components

- External Environment
- Social and Relationship Capital

Stakeholders

- Government/Regulators

SDGs Impacted

Essential Indicators

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:**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1.	Indian Banks' Association (IBA)	National
2.	Fixed Income Money Market and Derivatives Association (FIMMDA)	National
3.	SaDhan - The Association of Community Development Finance Institutions	National
4.	Association of Mutual Funds in in India (AMFI)	National
5.	Confederation of Indian Industry (CII)	National
6.	The Indus Entrepreneurs (TIE)	National
7.	M-FIN	National
8.	Association of Small Finance Banks of India (ASFBI)	National
9.	Foreign Exchange Dealers' Association of India (FEDAI)	National

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.**

   NA.

08

PRINCIPLE

Businesses should promote inclusive growth and equitable development

Inclusive growth is integral to Equitas' purpose and approach to creating long-term value. We believe that meaningful progress can only be achieved when economic opportunities, quality healthcare, education and sustainable livelihoods are accessible to all sections of society, particularly underserved and vulnerable communities. Guided by this philosophy, we extend our impact beyond financial inclusion through targeted interventions that address critical social and developmental needs. Through our dedicated social development platforms, we work to empower individuals, strengthen communities and improve quality of life, thereby contributing to more equitable and inclusive socio-economic development.

Impact on Integrated Report Components

- Social and Relationship Capital
- Human Capital

Stakeholders

- Local Communities
- Employees

SDGs Impacted

Our Approach to Inclusive Growth

Through the Equitas Development Initiatives Trust (EDIT) and the Equitas Healthcare Foundation (EHF), we implement interventions that support livelihood creation, employability, healthcare access, education and rehabilitation. These initiatives are designed not merely as welfare measures, but as pathways to self-reliance, enabling individuals to strengthen their earning capacity, improve living conditions, reduce financial vulnerabilities and participate more fully in economic progress.

Our approach is centred on creating measurable improvements in quality of life by enabling sustainable livelihoods, facilitating access to essential services and strengthening the resilience of underserved communities.

Creating Sustainable Social Impact

Our interventions are structured around four interconnected outcomes:

- **Improved Living Conditions** through rehabilitation and housing support for vulnerable and homeless families
- **Enhanced Household Incomes** through skill development, entrepreneurship promotion and employment opportunities
- **Greater Access to Education** through scholarships and learning support for children from disadvantaged backgrounds
- **Reduced Financial Vulnerability** through preventive healthcare, health awareness programmes and access to affordable medical interventions

Together, these outcomes contribute to stronger, more resilient communities and support broader socio-economic development.

How We Delivered Impact in 2025-26

During 2025-26, our community development initiatives continued to advance inclusive growth across our pan-India footprint by addressing critical needs in healthcare, livelihoods, employability, education and social rehabilitation. Through EDIT and EHF, we focused on creating sustainable outcomes that improve quality of life, strengthen household resilience and expand access to opportunities for underserved communities.

Key areas of impact during the year included:

Healthcare and Wellbeing

Healthcare remained a key pillar of our outreach, with initiatives focused on improving access to preventive and primary healthcare services for underserved communities.

- Screened 2,80,871 individuals through general health, eye-care and specialised medical camps
- Reached 1,83,124 women through the Swasth Mahila programme, promoting awareness on preventive healthcare and wellbeing
- Facilitated critical surgeries and medical treatments through the Health Help Line, reducing financial barriers to healthcare access
- Conducted specialised dental, hearing, liver health, veterinary and blood-donation camps to address specific community needs
- Partnered with healthcare institutions to deliver awareness programmes on CPR, breast cancer and women's health

Livelihoods and Women Empowerment

Economic empowerment and livelihood creation remained central to our efforts, with a focus on enhancing income-generation opportunities and entrepreneurship.

- Trained 21,431 women through Equitas Gyan Kendra, surpassing annual targets
- Delivered vocational and entrepreneurship training across activities such as tailoring, aari work, soap and detergent manufacturing, perfume making, cake making and other micro-enterprise opportunities
- Organised dedicated exhibitions that enabled women entrepreneurs to showcase and sell their products, supporting market access and enterprise development
- Helped participants translate newly acquired skills into sustainable income streams and greater financial independence

Employability and Job Creation

Recognising employment as a key pathway to economic mobility, we continued to connect job seekers with employers through targeted placement initiatives.

- Facilitated employment opportunities for 28,574 youth through job fairs and placement drives conducted across multiple locations
- Connected aspiring candidates with formal employment opportunities across sectors
- Supported improved employability, stronger household incomes and long-term financial stability

Community Development and Social Inclusion

Beyond our core interventions, we continued to strengthen community well-being through targeted social and development initiatives.

- Extended support to tuberculosis patients, transgender flower vendors, eye-camp beneficiaries and individuals requiring assistive devices and medical care through the Joy of Giving programme
- Implemented an integrated village development initiative in Vadathavoor, combining environmental stewardship, educational support, digital learning and livelihood training
- Conducted veterinary healthcare camps to improve animal health and protect livelihood assets for rural households

Rehabilitation and Educational Support

Our rehabilitation initiatives continued to support vulnerable communities by providing pathways to stability, dignity and long-term social mobility.

- Rehabilitated 367 homeless families through the Equitas Birds Nest programme during the year
- Increased the cumulative number of families rehabilitated since inception to 6,517
- Supported access to secure housing and livelihood opportunities for vulnerable families
- Facilitated educational scholarships for students from Equitas Birds Nest families, helping reduce the risk of intergenerational poverty and enabling continuity in education

Collectively, these initiatives reflect our commitment to creating measurable and lasting social impact by:

- Improving access to healthcare and essential services
- Enhancing employability and livelihood opportunities
- Supporting education and social mobility
- Strengthening household resilience and financial stability
- Enabling vulnerable communities to participate more fully in economic and social progress

Essential Indicators

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

   We did not undertake any projects during 2025-26 that required a Social Impact Assessment (SIA) under applicable laws. Accordingly, no Social Impact Assessments were conducted during the year.

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

   We did not undertake any projects involving land acquisition, displacement of communities, or activities requiring Rehabilitation and Resettlement (R&R) measures during 2025-26. Accordingly, no R&R activities were carried out during the year.

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 (1800 103 2977) 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:**

Sr. No.	Particulars	2025-26	2024-25
1.	Directly sourced from MSMEs/small producers	76%	49%
2.	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**

Sr. No.	Location	2025-26	2024-25
1.	Rural	2.50%	2.44%
2.	Semi-urban	18.11%	18.20%
3.	Urban	26.17%	26.05%
4.	Metropolitan	53.21%	53.32%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   The disclosure is not material to the Bank's operations, as our activities do not involve significant direct social impacts. However, the Bank maintains governance mechanisms and stakeholder engagement processes to manage any associated social risks.

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

   As part of its CSR commitment towards inclusive community development in aspirational districts, the Bank implemented healthcare, women's empowerment, and livelihood enhancement initiatives in Raichur (Karnataka), Khandwa (Madhya Pradesh), Osmanabad (Maharashtra), Moga (Punjab), and Virudhunagar (Tamil Nadu). The interventions included general health camps, training programmes for women from BPL households, and employment facilitation support for unemployed youth. During the year, the health camps benefited a total of 1,561 individuals, while 110 women received skill development training and 70 unemployed youth were supported in accessing job opportunities. These initiatives contributed to improving access to essential services, enhancing employability, and promoting socio-economic development in the districts covered under the programme.

3. a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No):** No

   b) **From which marginalised/vulnerable groups do you procure?:** Not Applicable

   c) **What percentage of total procurement (by value) does it constitute?:** Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   The Company did not own or acquire any intellectual property based on traditional knowledge during 2025-26.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

   No adverse orders relating to intellectual property disputes involving traditional knowledge were reported during 2025-26.

6. **Details of beneficiaries of CSR Projects:**

Sr. no.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Healthcare Initiatives (Eye Camps, General Health Camps, Ayurveda Camps, Veterinary Camps, Health Helpline and Swasth Mahila Health Education)	4,71,617 beneficiaries	Majority beneficiaries belong to low-income and underserved communities
2	Skill Training Programmes for Women Entrepreneurs (Equitas Gyan Kendra)	21,431 women beneficiaries	100%
3	Job Fairs and Placement Support for Unemployed Youth	28,574 youth beneficiaries	Majority beneficiaries belong to economically weaker sections
4	Equitas Birds Nest – Rehabilitation of Homeless Families	367 homeless individuals rehabilitated	100%
5	Educational Scholarships for Children from Equitas Birds Nest Families	223 beneficiaries	100%
6	Disability Inclusion Programmes	654 persons with visual impairment and 72 transgender beneficiaries	100%
7	Equitas Temporary Markets	62 beneficiaries	Predominantly women and economically vulnerable entrepreneurs

Amudha's Journey from Homelessness to Entrepreneurship

For years, Amudha lived on the streets of Chennai's Parry's Corner, struggling for shelter, food and basic amenities. Without a stable home or livelihood, each day was a challenge, and opportunities to improve her circumstances seemed out of reach.

Through the Equitas Birds Nest programme, Amudha received support that helped her rebuild her life with dignity and purpose. With access to rehabilitation and livelihood opportunities, she was able to transition from homelessness to self-reliance and establish her own tailoring business.

Today, Amudha proudly runs Abi Tailor, a shop located on a busy main road and well recognised within the local community. Her entrepreneurial success has enabled her to create employment opportunities for two other individuals while achieving financial stability for herself.

Amudha's journey is a testament to the transformative impact of holistic rehabilitation and livelihood support, demonstrating how targeted interventions can empower vulnerable individuals to become independent and productive members of society.

Impact

- **Transitioned from homelessness to entrepreneurship**
- **Established her own tailoring business, Abi Tailor**
- **Created employment for two individuals**
- **Achieved financial independence and social inclusion**

Creating New Beginnings through Employment

For many young people from economically vulnerable backgrounds, securing employment can be the first step towards transforming their family's future. Through our 'New Beginnings' Job Fairs, Equitas connects unemployed youth with meaningful career opportunities, helping them build sustainable livelihoods.

The initiative provides a platform for job seekers to interact with employers, showcase their skills and access opportunities across industries. For many beneficiaries, employment has enabled them to support their families, repay debts and fund the education of younger siblings, creating a ripple effect of positive change.

Over the years, the programme has impacted more than 3,00,000 lives, empowering youth with the confidence and opportunities needed to achieve economic independence and long-term stability.

Impact

- **More than 3,00,000 lives impacted since inception**
- **Enhanced employability and livelihood opportunities**
- **Improved household income and financial resilience**
- **Supported education and wellbeing of family members**

09 PRINCIPLE

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

We see ourselves not merely as a provider of financial services but as a trusted partner in our customers' financial wellbeing. Responsible consumer engagement, through transparent products, accessible services and customer-centric practices, remains central to the trust we have built across our customer base. Through continuous customer engagement, financial literacy initiatives, technology-led innovation, ethical conduct and a robust grievance redressal framework, we strive to deliver meaningful value while safeguarding customer interests.

Impact on Integrated Report Components

- Intellectual Capital
- Social and Relationship Capital

Stakeholders

- Customers

SDGs Impacted

Enhancing Customer Experience

Enhancing customer experience is an ongoing journey rooted in accessibility, responsiveness and trust. Our efforts span both physical and digital channels, from personalised branch interactions and lounge-style banking facilities to outreach through rural banking centres and micro-ATM devices, ensuring that every customer, whether new or long-standing, experiences convenient and inclusive banking services.

On the digital front, we continue to strengthen customer engagement through simplified online account opening, digital fixed deposit booking, WhatsApp banking, instant notifications and omnichannel support. Video banking services and self-service capabilities further enhance convenience, accessibility and security across customer touchpoints.

Through our Net Promoter Score (NPS), Customer Satisfaction (C-SAT) and Voice of Customer (VoC) programmes, we continuously capture customer feedback and translate insights into product, process and service improvements, reinforcing our commitment to responsible and customer-centric banking.

Essential Indicators

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

   At Equitas, customer complaints and feedback are received through multiple channels, including branches, call centres, email, website, social media platforms, internet banking and mobile banking applications. Complaints are managed through a centralised Grievance Management Team and resolved in accordance with the timelines prescribed under our Grievance Redressal Policy. Complaints that are not resolved to the customer's satisfaction are escalated through defined governance mechanisms, including review by the Internal Ombudsman. The Customer Experience Committee periodically reviews grievance trends, service quality indicators and customer feedback, while key insights are escalated to the Customer Service Committee of the Board.

   Customer feedback is also captured through Net Promoter Score (NPS), Customer Satisfaction (C-SAT) and Voice of Customer (VoC) programmes, enabling the Bank to identify improvement opportunities and strengthen products, services and customer journeys.

   During 2025-26, we further strengthened our grievance redressal framework through:

   - Integration of customer bank account detail capture during complaint registration, particularly for credit bureau-related grievances, enabling faster validation and processing of eligible refunds
   - Enhanced digital grievance management capabilities to improve complaint tracking and reduce resolution timelines
   - Strengthened monitoring and governance mechanisms to facilitate timely closure of customer complaints and improve overall customer satisfaction

   To enhance transparency and accessibility, the contact details of the Principal Nodal Officer and Nodal Officer continue to be prominently displayed across branches and on the Bank's website, together with clearly defined grievance resolution timelines. The Grievance Redressal Policy is also made available in multiple regional languages to improve accessibility and ease of understanding for customers across diverse geographies. Customers can register complaints through branches, call centres, email, chat platforms and digital banking channels, ensuring convenient access to grievance redressal mechanisms and escalation pathways.

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

Sr. no.	Particulars	As a percentage of total turnover
1.	Environmental and social parameters relevant to the product	NA
2.	Safe and responsible usage	NA
3.	Recycling and/or safe disposal	NA

3. **Number of consumer complaints in respect of the following**

Sr. no.	Particulars	2025-26			2024-25		
		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
1.	Data privacy	0	0	NA	0	0	NA
2.	Advertising	0	0	NA	0	0	NA
3.	Cybersecurity	0	0	NA	0	0	NA
4.	Delivery of Essential Services	15,927	879	The majority of complaints related to transaction disputes and queries/ disputes regarding charges levied on customer accounts as per the Schedule of Charges.	18,869	861	Since November 2024, the Bank proactively classified transaction and FASTag disputes as complaints and, based on regulatory guidance, classified wrong fund transfer disputes as complaints.
5,	Restrictive Trade Practices	0	0	NA	0	0	NA
6.	Unfair Trade Practices	0	0	NA	0	0	NA
7.	Other	14,084	261	Primarily non-Equitas customer complaints relating to loan-related SMS, incorrect CIBIL reports reflecting a loan with Equitas, and disputes over fraudulent transactions.	7,121	169	Primarily non-Equitas customer complaints relating to 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:**

Sr. no.	Particulars	Number	Reason for recall
1.	Voluntary recalls	NA	NA
2.	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 web-link of the policy**

Yes. We have implemented a comprehensive Data Privacy Policy and cybersecurity framework to safeguard customer information and manage risks associated with information security, privacy and cyber threats. The framework applies to employees, customers, business partners, service providers and other stakeholders and governs the handling of personal and sensitive information across branch, digital and communication channels.

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 safety of products/services.**

We continuously review customer complaints, Voice of Customer (VoC) feedback and service performance indicators to identify opportunities for service enhancement and customer experience improvement.

During 2025-26, several corrective and preventive actions were undertaken based on customer feedback and service observations, including:

- Introduction of One Tap Token as an alternative to SMS-based OTP authentication, helping reduce transaction delays and improve transaction success rates
- Resolution of application loading and performance issues identified on the Equitas 2.0 platform, with further optimisation incorporated through subsequent releases
- Enablement of wealth management services on internet banking and mobile banking platforms to address customer demand for enhanced digital capabilities
- Introduction of branch-level issuance of Fixed Deposit receipts, reducing documentation turnaround times and improving customer convenience
- Strengthening of digital grievance management processes to facilitate quicker complaint resolution and enhanced customer experience

No material incidents relating to advertising, product recalls, customer data privacy breaches or regulatory actions concerning product or service safety were reported during the year.

7. **Provide the following information relating to data breaches:**

a. **Number of instances of data breaches:**

NA.

b. **Percentage of data breaches involving personally identifiable information of customers:**

NA.

c. **Impact, if any, of the data breaches:**

NA.

Leadership Indicators

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

   Customers can access detailed information regarding the Bank's products and services through our official website, mobile banking application, branches, customer contact centre and other digital communication channels.

   Website: www.equitas.bank.in

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

   We regularly engage with customers through SMS alerts, WhatsApp communications, website notifications, digital campaigns and other customer outreach initiatives to promote safe and responsible banking practices.

   These initiatives focus on:

   - Safe usage of digital banking channels
   - Fraud prevention and cybersecurity awareness
   - Protection of customer credentials, passwords and OTPs
   - Awareness regarding phishing, vishing and other digital fraud risks
   - Responsible use of banking products and services
   - Data privacy and information security awareness

   Customer feedback and service interactions are also leveraged to continuously strengthen awareness campaigns and educational content, ensuring that communications remain relevant to evolving customer needs and emerging risk areas.

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

   Customers are informed about planned maintenance activities, service disruptions or changes in service availability through multiple communication channels, including SMS alerts, mobile application notifications, push notifications, website announcements, contact centre communication and other digital communication platforms.

   These mechanisms help customers plan transactions appropriately, remain informed about service availability and minimise inconvenience arising from service interruptions.

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).**

   Yes. We undertake customer satisfaction assessments through Net Promoter Score (NPS), Customer Satisfaction (C-SAT) and Voice of Customer (VoC) programmes to evaluate customer experience across products, services and customer interaction channels. Insights generated from these programmes are used to strengthen customer journeys, improve service quality and support customer-centric product innovation.

Strengthening Customer Listening Programmes

During 2025-26, we enhanced our customer feedback framework through several initiatives:

- Migration to a new survey platform that captures customer feedback through a more structured framework and leverages an AI-enabled analytics engine for first-level analysis
- Enhanced sentiment interpretation, keyword clustering and early identification of emerging service gaps through AI-driven analytics
- Redesign of the NPS questionnaire to include a balanced mix of closed-ended and open-ended questions, enabling both quantitative assessment and richer qualitative insights
- Continued bi-annual Relationship NPS surveys covering customers with Total Relationship Value (TRV) of ₹50,000 and above, ensuring focus on a more engaged and high-value customer segment
- Expanded survey deployment through customers' preferred channels, including WhatsApp and SMS, supported by automated reminders to improve response rates and representation
- Strengthened NPS close-looping processes, with service recovery actions initiated within 48 hours for identified detractors
- Real-time C-SAT surveys triggered immediately following customer interactions across Phone Banking, Email and Grievance Redressal channels
- Weekly reporting and fortnightly review meetings with relevant teams to close-loop open cases and drive continuous service improvement

Key Customer Insights

Feedback received through the Voice of Customer framework highlighted strong customer appreciation for the Equitas 2.0 platform and the professionalism, responsiveness and service orientation demonstrated by branch employees.

Customer feedback also identified opportunities for improvement, including:

- Delays in OTP delivery during digital transactions
- Challenges associated with beneficiary addition cooling periods for urgent fund transfers
- Opportunities to further improve speed, consistency and reliability across customer journeys in both branch and digital channels

Customers identified as detractors through NPS and VoC programmes are contacted promptly to understand concerns, initiate service recovery measures and strengthen customer relationships. Feedback received through these programmes is systematically analysed and shared with Digital Banking, Operations, Product and Branch Banking teams to facilitate timely corrective actions and continuous improvement.

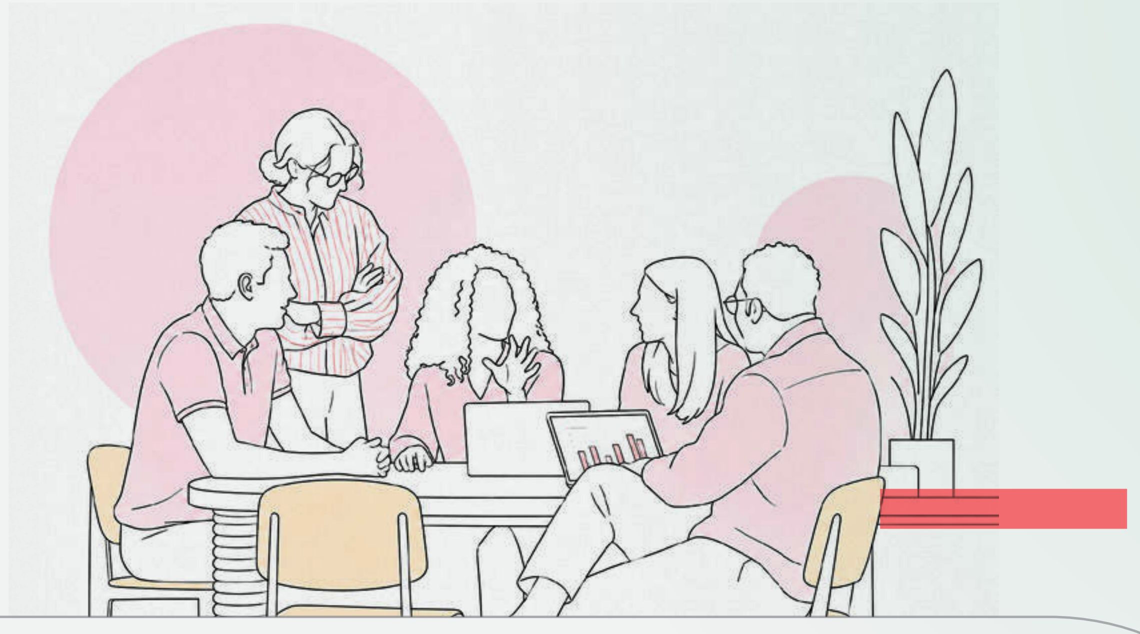
Customer-Led Improvements

Insights gathered through customer feedback directly contributed to several product and service enhancements during 2025-26, including:

- Introduction of One Tap Token as an alternative authentication mechanism to reduce OTP-related transaction delays
- Enablement of platforms
- Resolution of application loading and performance issues on the Equitas 2.0 platform through targeted upgrades and subsequent optimisation releases
- Branch-level issuance of Fixed Deposit receipts, reducing documentation turnaround times and enhancing customer convenience

These initiatives demonstrate the Bank's commitment to listening to customers, acting on feedback and continuously enhancing customer experience.

Management Discussion and Analysis



Global Economy

The global economy entered 2026 at an inflection point, balancing moderating inflation and easing monetary conditions against rising geopolitical risks and structural shifts in trade, investment and industrial policy. Global GDP growth remained relatively stable at 3.4% in 2025, supported by strong public and private investment, technology-led capital expenditure, and lower energy prices during much of the year. However, growth trends remained uneven across regions, reflecting differences in fiscal priorities, policy responses and domestic demand conditions.

Real GDP Growth (%)

	World Output	Advanced Economies	Emerging Market and Developing Economies
2027 (P)	3.2	1.7	4.2
2026 (P)	3.1	1.8	3.9
2025	3.4	1.9	4.4

P: Projected

(Source: IMF - World Economic Outlook, April 2026)

Advanced economies expanded by 1.9% in 2025, supported by fiscal spending, infrastructure investments and industrial policies focused on strengthening domestic manufacturing, energy security and technological competitiveness. Growth in the United States moderated to 2.1%, while Emerging Market and Developing Economies (EMDEs) continued to drive global growth, expanding by 4.4%, led by China at 5.0%.

National fiscal policies remained a key growth driver during the year, with governments across major economies independently increasing investments in infrastructure, energy transition, semiconductors, digital technologies and strategic industries. These measures supported economic activity while reshaping global trade and investment flows.

Global inflation moderated to 4.1% in 2025, aided by easing supply chain constraints and softer commodity prices. However, inflationary pressures persisted across several economies, prompting central banks to adopt a cautious and data-driven approach towards monetary easing. Although some advanced economies initiated rate cuts, financial conditions remained relatively tight, with borrowing costs staying above pre-pandemic levels.

Global Inflation (%)

	Global Inflation
2027 (P)	3.7
2026 (P)	4.4
2025	4.1

P: Projected

(Source: IMF - World Economic Outlook, April 2026)

Technology-led investments emerged as a defining theme of the year, with significant capital directed towards artificial intelligence, cloud infrastructure, semiconductors and data centres. At the same time, geopolitical developments and supply-chain diversification strategies continued to influence global trade patterns and investment decisions.

Escalating tensions in the Middle East during the start of 2026, renewed concerns around energy security and inflation, with Brent crude prices rising from around US$ 70 per barrel towards US$ 100 per barrel. Against this backdrop, the IMF projects global growth to moderate to 3.1% in 2026 before improving marginally to 3.2% in 2027, with the outlook remaining sensitive to geopolitical developments, energy markets and the trajectory of monetary policy.

(Source: IMF - World Economic Outlook, April 2025)

Indian Economy

India sustained its position as one of the world's fastest-growing major economies in 2025-26, with real GDP estimated to have grown by 7.7%. This strong momentum reflects a structural unification of robust domestic fundamentals, sustained policy support, and broad-based sectoral performance.

Real GDP Growth Trajectory (in %)

2025-26 (Provisional Estimates)	7.7%
2024-25 (First Revised Estimates)	7.1%
2023-24	7.2%

(Source: Press Information Bureau (June 05, 2026))

Notwithstanding global headwinds, the domestic economy remained highly resilient. The year was marked by strong production momentum and stable retail inflation with headline CPI well-controlled at 3.4% in March 2026 and 3.5% in April 2026, supported by improving labour market indicators and robust external and financial buffers.

However, external risks are intensifying. Disruptions in the Strait of Hormuz in early 2026 have triggered upward pressure on crude oil prices and strained energy supply chains. Simultaneously, the potential escalation of maritime threats in the Red Sea could further amplify supply-side shocks and heighten volatility across global trade routes. These developments pose localised downside risks that extend beyond current market expectations.

In this volatile context, the efficacy of India's coordinated fiscal, monetary, and structural policies has fortified macroeconomic stability. S&P upgraded India's long-term sovereign credit rating to 'BBB' from 'BBB-' during the year, marking the country's first sovereign upgrade by S&P in 18 years.

Complementing this, the rollout of GST 2.0 brought comprehensive tax reforms that reaffirm economic resilience amid a shifting U.S. tariff overhang. These structural measures position the country to absorb external shocks while sustaining investment, consumption, and inclusive development on its trajectory towards evolving into a prosperous upper middle-income economy by 2047, the centenary of its independence.

Pro-Growth Monetary Policy Stance

Responding to easing inflation and prevailing monetary conditions, the Reserve Bank of India (RBI) initiated a structural monetary easing cycle, signalling long-term confidence in the domestic financial system:

(Source: Press Information Bureau (January 30, 2026), The Economic Times (June 06, 2025))

Repo Rate Cuts

The RBI initiated its first rate cut in five years on February 7, 2025, and subsequently lowered the repo rate in a series of cuts totalling 125 basis points, bringing it down from 6.50% to 5.25% to shift towards a growth-supportive stance.

Cash Reserve Ratio (CRR) Easing

The RBI reduced the Cash Reserve Ratio (CRR) from 4.0% to 3.0%. The reduction was implemented in four equal tranches of 25 basis points each, commencing in September 2025, thereby enhancing durable liquidity in the banking system.

Sectoral Performance

India's growth engine continues to be led by the Services sector, which accounts for over 53% of GDP. Momentum was driven by sustained expansion in information technology, financial services, and digital platforms, further amplified by the Enhanced Access and Service Excellence (EASE) reforms framework and rising digital penetration across semi-urban and rural geographies. Concurrently, the Industrial sector maintained steady growth through higher capital goods investments and structural traction from Production-Linked Incentive (PLI) schemes across 14 sectors. The Union Budget 2026-27 reinforced this industrial momentum, prioritising domestic manufacturing and infrastructure creation as vital multi-year drivers to enhance national productivity and absorb global supply chain realignments.

In the primary economy, Agriculture and Allied Activities remain a vital cornerstone of socio-economic stability, generating one-fifth of national income and employing nearly 46% of the workforce. The sector is undergoing a structural shift as allied segments like livestock, fisheries, and horticulture increasingly drive growth beyond traditional crop-based farming. Supported by a substantial central budget allocation of ₹ 1.63 lakh Crore, the Union Budget 2026-27 prioritised technology-led rural resilience. This is highlighted by the launch of the multilingual, AI-enabled Bharat-VISTAAR platform which integrates AgriStack portals to deliver real-time, customised advisory to farmers, alongside targeted credit interventions to modernise high-value crop and livestock value chains.

(Source: Press Information Bureau - Economic Survey (January 30, 2026); Press Information Bureau (March 10, 2026); EY - Agriculture sector Highlights - Union Budget 2026; Press Information Bureau (February 13, 2026); Press Information Bureau (February 14, 2026))

Consumption and Banking Demand Dynamics

A major pillar of India's growth resilience has been robust domestic consumption. While urban consumption remained healthy, rural demand showed signs of a structural recovery through 2025-26. This turnaround was validated by a decline in MGNREGA employment demand (a reliable counter-cyclical indicator) alongside a visible volume pickup in FMCG, two-wheelers, and agri-inputs.

Small business owners engaged in daily-use products and services such as provision stores, eateries, salons, and local transport operators, possess highly localised, essential service models. These micro-entrepreneurs have consistently demonstrated the agility to adjust their end prices in line with inflationary pressures, thereby successfully preserving their cash flows and repayment capacities through changing economic cycles.

External Sector

India's external sector demonstrated remarkable stability despite persistent geopolitical conflicts and trade frictions. Driven by healthy export traction, combined merchandise and services exports reached an all-time high of US$ 863.11 billion in 2025-26, marking a 4.59% increase over the US$ 825.26 billion recorded in 2024-25. Supported by this export momentum, foreign exchange reserves rose to US$ 681.38 billion as of the week ending May 22, 2026 (up from US$ 645.58 billion at the close of 2024-25). This structural buffer provides extensive import coverage and insulates domestic financial liquidity from sudden global market shifts. Additionally, India continues to lead globally in inward remittance receipts, further strengthening the current account.

(Source: Press Information Bureau (April 15, 2026);
RBI Weekly Statistical Supplement – Extract (May 29, 2026))

Digital Economy and Financial Inclusion

India's digital transformation expanded at nearly twice the pace of overall GDP during 2025-26, putting the digital economy on track to account for 20% of national income by 2029-30. Key payment and data rails have rewritten banking distribution physics:

- **Transaction Velocity:** UPI transactions hit new historic peaks, reflecting deep behavioural adoption across both urban and rural merchants
- **Financial Ecosystem Infrastructure:** The Account Aggregator (AA) framework and the JAM (Jan Dhan-Aadhaar-Mobile) are collectively formalising cash flows; the AA framework, now fully scaled across scheduled commercial banks, has unlocked data-driven, paperless underwriting for segment populations traditionally lacking conventional credit track records

(Source: Ministry of Electronics & IT - PIB (January 28, 2025);
Department of Financial Services (March 31, 2026))

The MSME Sector: Addressing the Structural Credit Gap

The MSME sector continues to be a key driver of India's economic growth, supported by increasing formalisation and expanding access to institutional credit. According to the MSME Pulse Report (December 2025), consolidated MSME credit outstanding reached approximately ₹ 67.6 lakh Crore, reflecting 16% year-on-year growth, while serious delinquencies declined to a five-year low of 1.87%.

Despite steady progress, significant opportunities remain, with formal credit penetration among Udyam-registered MSMEs at approximately 47%, underscoring the sector's substantial untapped financing potential.

(Source: SIDBI - MSME Pulse Report (Dec 2025))

Outlook

For 2026-27, India's real GDP growth is projected to moderate to around 6.5%. While domestic macro-stability remains supported by resilient private consumption and robust capex, close risk vigilance is required regarding elevated landed costs for crude imports driven by West Asian geopolitical tensions, as well as potential agricultural slowdowns from El Niño-induced weak monsoon conditions.

(Source: The Economic Times (June 07, 2026))

Indian Banking Sector

2025-26 marked a transition from balance-sheet repair to growth. Supported by healthier balance sheets, stronger capitalisation, and improved asset quality, banks were well positioned to support India's expanding economy. Scheduled Commercial Banks recorded credit growth of approximately 15.9–16.0% during the year, driven by demand across retail, MSME, agriculture, services, and infrastructure-linked sectors. Deposit growth remained relatively slower at approximately 13.4%, resulting in continued focus across the industry on strengthening liability franchises and mobilising stable, granular deposits. Continued formalisation of the economy, infrastructure investments, digital adoption, and government-led financial inclusion initiatives further broadened access to formal finance and strengthened credit penetration across the country.

Key Enablers

- Infrastructure and manufacturing investments
- Financial inclusion initiatives such as PMJDY, PMMY and PM SVANidhi
- MSME formalisation and credit access
- Expanding retail and services sector demand

Deposits Emerge as the Sector's Key Strategic Focus

While lending activity remained robust, deposit growth lagged credit expansion, making liability mobilisation one of the defining themes of the year. Elevated credit-to-deposit ratios intensified competition for deposits and increased the importance of maintaining a stable and granular liability base. A shift towards higher-yielding term deposits also increased funding costs, creating pressure on margins across the sector.

Key Trends

- Deposit growth of ~10–11%
- Credit-to-deposit ratio of ~81.75%
- Rising competition for retail deposits
- Increasing focus on liability franchise strength

Strong Fundamentals Underpin Sector Resilience

The banking sector continued to strengthen its financial position during 2025-26. Gross NPAs declined to around 2.3%, while Net NPAs remained near 0.5%, reflecting stronger underwriting standards, improved recoveries and disciplined risk management. Capitalisation also remained robust, with the banking system maintaining a CRAR of ~17.2%.

Importantly, sectoral risks have become more diversified. Large corporate stress has largely subsided, with vulnerabilities now concentrated in select unsecured retail, MSME and microfinance segments. RBI stress tests continued to indicate that banks remain well positioned to absorb adverse shocks.

Key Indicators

- GNPA: ~2.3%
- NNPA: ~0.5%
- CRAR: ~17.2%
- Strong provisioning buffers and solvency position

Regulation, Technology and Efficiency Shape the Next Phase

As the sector strengthened, regulatory priorities shifted towards enabling sustainable growth while maintaining financial stability. The RBI rolled back enhanced risk weights on certain NBFC and unsecured retail exposures and deferred revised LCR guidelines, supporting liquidity and credit sentiment. Simultaneously, oversight of consumer credit, governance standards, cybersecurity and operational resilience remained a priority.

The operating model of banking also continued to evolve. Digital public infrastructure, including Aadhaar, UPI and the Account Aggregator framework, accelerated customer acquisition, transaction efficiency and credit delivery.

Key Developments

- Regulatory easing for select credit segments
- Continued focus on governance and risk management
- Expansion of digital banking and payments ecosystems
- Greater emphasis on productivity and operating efficiency

Outlook

The Indian banking sector enters 2026-27 from a position of strength. Continued infrastructure development, increasing financialisaton, expanding digital adoption and supportive government initiatives are expected to sustain credit demand. While deposit mobilisation, funding costs and pockets of stress in unsecured retail and microfinance portfolios warrant monitoring, the sector remains well positioned to support India's next phase of economic growth.

(Source:

RBI Annual Report 2025-26
https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0AR29052026F5B979AF274E445ABB1593EB226906335.PDF

PIB – Banking Sector Performance and Financial Stability
https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2258009&reg=3&lang=1

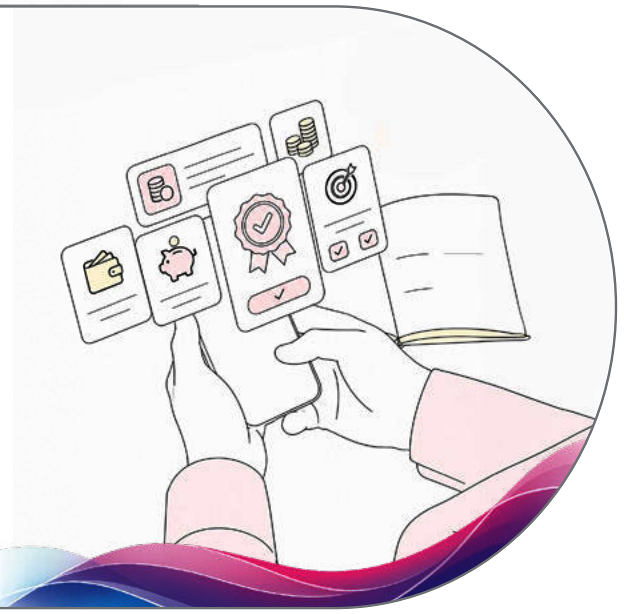
PIB – Public Sector Banks Record Strong Performance
https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2266716&reg=3&lang=1

McKinsey & Company – Indian Banks: Navigating Through the Turbulence
https://www.mckinsey.com/industries/financial-services/our-insights/indian-banks-navigating-through-the-turbulence)

Small Finance Banks

2025-26 marked a defining year for India's Small Finance Banks (SFBs) sector as institutions navigated the aftermath of a severe microfinance stress cycle while simultaneously repositioning their business models for long-term sustainability. The year was characterised by elevated credit costs, asset quality pressures and profitability challenges in the first half, followed by a gradual recovery supported by borrower deleveraging, improving collection efficiencies and stronger underwriting discipline. More fundamentally, the sector continued its transition from a predominantly financial inclusion-focused model towards a more diversified and risk-calibrated banking framework, combining grassroots outreach with increasingly sophisticated lending, liability mobilisation and digital capabilities. This evolution is reinforcing the role of SFBs as important intermediaries serving micro-enterprises, emerging entrepreneurs and underserved households across semi-urban and rural India.

(Source: CARE Ratings – Small Finance Banks: Navigating Growth Amid Microfinance Challenges
https://www.careratings.com/uploads/newsfiles/1760098150_Small%20Finance%20Banks%20Navigating%20Growth%20Amid%20Microfinance%20Challenges.pdf)



Resolution of the Microfinance Stress Cycle

The sector's primary challenge stemmed from the overleveraging of microfinance borrowers following the rapid post-pandemic credit expansion. The implementation of MFIN Guardrail 2.0 emerged as a significant corrective measure, introducing stricter borrower-level controls, including limits on the number of lenders per borrower, aggregate indebtedness thresholds and restrictions on lending to customers with existing overdue obligations. These measures accelerated deleveraging across the sector, with the industry-wide microfinance portfolio declining from approximately ₹ 4.34 lakh Crore in March 2024 to ₹ 3.75 lakh Crore in March 2025, and further moderating to around ₹ 3.38 lakh Crore by March 2026, reflecting tighter underwriting standards, lower borrower leverage, and a renewed focus on portfolio quality across lenders. The reduction in borrower overleveraging, combined with tighter underwriting standards, helped lower systemic risk and improve portfolio quality across the ecosystem.

Collection efficiencies improved progressively through the year, while portfolios originated under the revised framework demonstrated materially stronger repayment behaviour, indicating that stress remained largely concentrated within legacy portfolios.

(Source: MFIN Micro Matters – Macro View 2024-25; CARE Ratings Microfinance Industry Report
https://mfinindia.org/assets/upload_image/publications/Studies/MFIN%20Micro%20Matter%20-%20Macro%20View%20 2024-25.pdf
https://www.careratings.com/uploads/newsfiles/1760347854_NBFC-%20Microfinance%20Industry%20-%20CareEdge%20Report.pdf)

Strategic Shift towards Secured Lending

The stress cycle accelerated a structural transformation across the SFB landscape. Historically, microfinance served as the primary growth engine for many institutions; however, successive disruptions, including demonetisation, the COVID-19 pandemic and the recent overleveraging cycle, have increased the normalised credit cost profile of the segment. As a result, SFBs are increasingly rebalancing their portfolios towards secured and granular retail asset classes that offer more stable risk-adjusted returns.

Key growth segments include:

- Affordable housing finance
- MSME and small business lending
- Vehicle finance
- Loan against property (LAP)
- Gold loans and secured retail products

This diversification is reducing concentration risks, strengthening portfolio resilience and creating a more balanced growth framework for the sector. Sector advances are expected to continue expanding, with growth increasingly supported by non-microfinance segments.

(Source: Business Standard (CRISIL Ratings); Economic Times
https://www.business-standard.com/industry/banking/small-finance-banks-advances-growth-crisil-ratings-rs-2-trillion-fy26-125102801190_1.html
https://m.economictimes.com/markets/stocks/news/after-asset-quality-hit-small-finance-banks-to-sharpen-risk-controls-for-2026/articleshow/126473364.cms)

Regulatory Support and Sector Evolution

The regulatory environment remained supportive of the SFB sector's evolution. During the year, the RBI reduced the Priority Sector Lending (PSL) requirement for SFBs from 75% to 60% of ANBC/CEOBE, providing greater flexibility in capital allocation while preserving the sector's financial inclusion mandate. Additionally, the RBI's in-principle approval for the conversion of an SFB into a Universal Bank highlighted the sector's growing maturity and long-term potential.

(Source: Business Standard; Economic Times
https://www.business-standard.com/industry/banking/small-finance-banks-advances-growth-crisil-ratings-rs-2-trillion-fy26-125102801190_1.html
https://bfsi.economictimes.indiatimes.com/news/banking/growth-of-small-finance-banks-in-india-projected-to-reach-20-23-pc-in-fy26/117229768)

Strengthening Liability Franchises and Distribution Reach

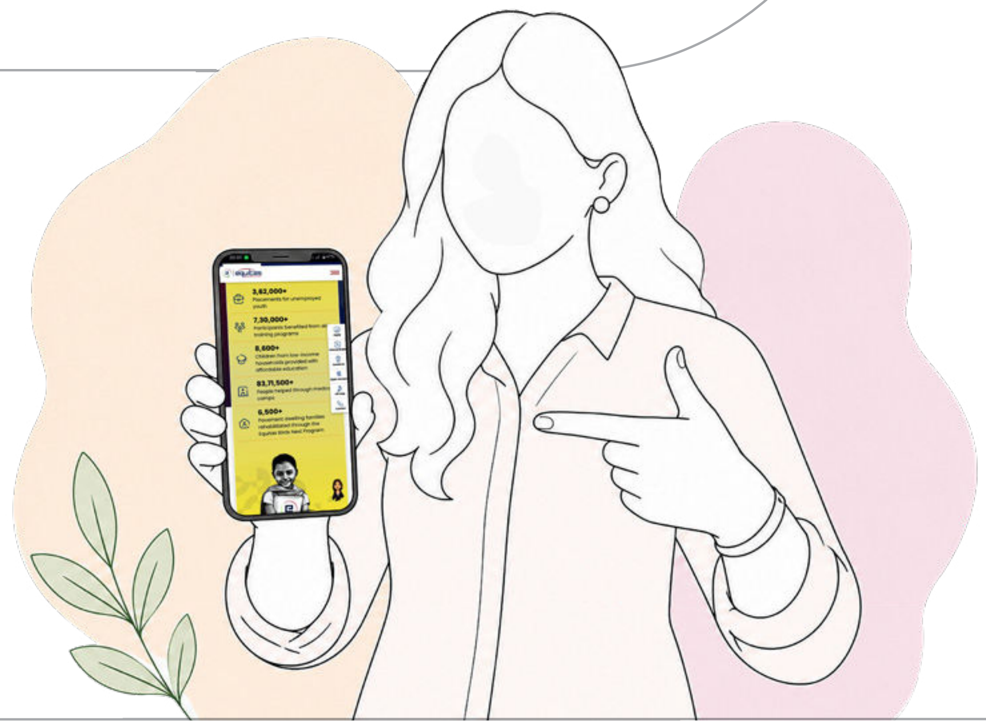
Despite industry-wide competition for deposits and elevated funding costs, the sector remains well-capitalised, with capital buffers comfortably above regulatory requirements. Retail deposit mobilisation, CASA growth and granular funding strategies continue to support funding stability and sustainable balance sheet expansion. A credit-deposit ratio of approximately 89%, comparable to private sector banks, reflects healthy credit demand and efficient deployment of capital.

Geographic expansion has also remained a key growth driver. Between March 2019 and March 2025, the SFB branch network more than doubled to approximately 7,641 branches. More than half of these outlets are located in rural and semi-urban markets, strengthening financial inclusion while enhancing distribution reach, customer acquisition and geographic diversification.

(Source: CARE Ratings; Economic Times

https://www.careratings.com/uploads/newsfiles/1760098150_Small%20Finance%20Banks%20Navigating%20Growth%20Amid%20Microfinance%20Challenges.pdf

https://bfsi.economictimes.indiatimes.com/news/banking/growth-of-small-finance-banks-in-india-projected-to-reach-20-23-pc-in-fy26/117229768)



Digital Transformation and Financial Inclusion

Technology has emerged as a key differentiator within the Small Finance Bank (SFB) ecosystem, enabling scalable growth while advancing financial inclusion. SFBs are increasingly leveraging integrated phygital models, data analytics, automation, AI and ML to enhance customer onboarding, credit assessment, risk monitoring and operational efficiency. Supported by India's robust digital public infrastructure, including high UPI transaction success rates and growing internet penetration, digital financial services are helping banks expand reach, improve customer acquisition and lower servicing costs, particularly in underserved geographies. At the same time, government-led initiatives such as the Jan Dhan–Aadhaar–Mobile (JAM) Trinity, Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Mudra Yojana (PMMY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) continue to deepen financial inclusion by expanding access to banking, credit, insurance and pension products for unbanked and underbanked populations.

(Source: CARE Ratings; The Hindu; Government Financial Inclusion Initiatives

https://www.careratings.com/uploads/newsfiles/1760098150_Small%20Finance%20Banks%20Navigating%20Growth%20Amid%20Microfinance%20Challenges.pdf

https://www.thehindu.com/sci-tech/technology/india-now-has-958-million-active-internet-users-57-of-these-are-from-rural-areas/article70566646.ece)

Outlook

The outlook for the SFB sector remains constructive despite near-term challenges in the microfinance segment. 2025-26 marked a period of stabilisation and strategic recalibration, with institutions actively diversifying their portfolios away from unsecured microfinance lending towards secured retail assets such as affordable housing finance, MSME lending, vehicle finance and other granular retail segments. This shift is expected to support more resilient growth, improved asset quality and lower earnings volatility over the medium term.

Sector credit growth is projected to remain healthy at approximately 20–23%, supported by stronger risk controls, improving collection efficiencies, moderating borrower leverage and continued expansion of secured lending portfolios. The implementation of revised Priority Sector Lending (PSL) norms, which reduced the mandatory PSL requirement for SFBs from 75% to 60% of Adjusted Net Bank Credit, has provided additional flexibility to rebalance portfolios and pursue lower-risk growth opportunities.

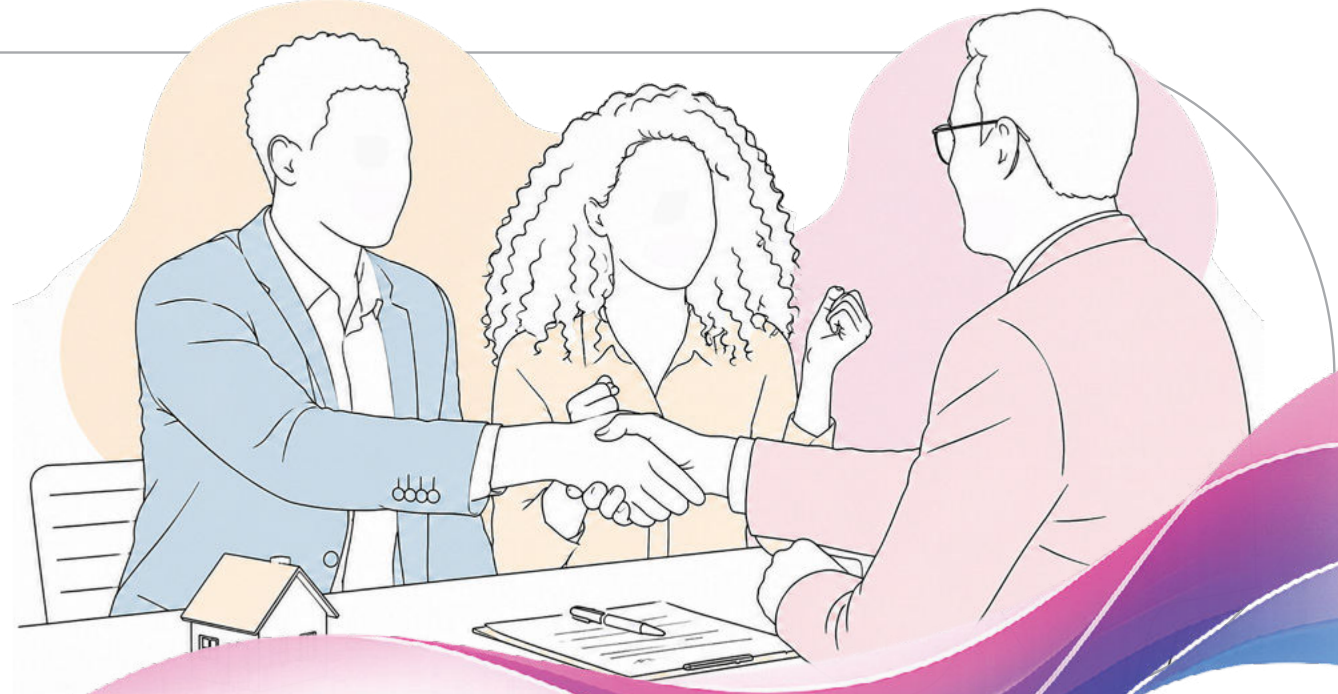
While profitability may remain moderated in the near term due to margin pressures and elevated funding costs, the sector continues to benefit from strong capitalisation, robust deposit growth and increasing digital adoption. As SFBs strengthen their liability franchises, deepen rural penetration and leverage technology-led operating models, they are evolving into diversified, deposit-led financial institutions capable of sustainably bridging grassroots credit demand with the formal banking system while advancing India's long-term financial inclusion agenda.

(Source: Economic Times BFSI; CARE Ratings; CRISIL Ratings

https://bfsi.economictimes.indiatimes.com/news/banking/growth-of-small-finance-banks-in-india-projected-to-reach-20-23-pc-in-fy26/117229768

https://www.careratings.com/uploads/newsfiles/1760098150_Small%20Finance%20Banks%20Navigating%20Growth%20Amid%20Microfinance%20Challenges.pdf

https://www.business-standard.com/industry/banking/small-finance-banks-advances-growth-crisil-ratings-rs-2-trillion-fy26-125102801190_1.html)



About Equitas Small Finance Bank

At Equitas Small Finance Bank (referred to as 'Equitas', 'The Bank', or 'We'), we are committed to delivering credit tailored to the needs of India's financially underserved and unserved communities while offering best-in-class banking services for depositors. As one of the largest Small Finance Banks in India, we offer a bouquet of products and services tailored to meet the needs of customers with limited access to formal financing channels, as well as affluent and mass-affluent customers, SMEs, and corporates.

Our firmly entrenched strategy focuses on providing credit to the unbanked and underbanked micro and small entrepreneurs, developing products to address the growing aspirations at the 'bottom of the pyramid', fuelled by granular deposits and 'value for money' banking relationships. Backed by robust technological capabilities, we strive to address the evolving needs of our customers while upholding the principles of fairness, transparency, and strong corporate governance.

Over the years, we have evolved from a product-led to a customer-centric institution, offering a comprehensive suite of banking, investment, insurance, and payment solutions. We continue to focus on building a well-diversified product portfolio and customer franchise, providing an empowering and seamless banking experience across segments.

Business Performance

Assets

Our asset strategy is focused on addressing the evolving credit needs of underserved and emerging customer segments while building a diversified, resilient, and profitable lending franchise. Through disciplined underwriting, customer-centric products, technology-enabled processes, and deep market reach, we continue to support financial inclusion while driving sustainable growth.

2025-26 marked a year of strong momentum for our asset business. Gross advances grew by 22% year-on-year to ₹ **46,165 Crore,** supported by broad-based growth across lending businesses. During the year, we achieved an important milestone with 88% of our advances portfolio comprising secured assets, further strengthening portfolio resilience.

Small Business Loans

Small Business Loans (SBL) continued to be the cornerstone of our lending franchise and accounted for approximately 40% of the overall portfolio.

- Advances stood at ₹ 18,559 Crore
- Within SBL, Business Loans (BL) grew by 27% year-on-year
- Continued investments in branch productivity, customer acquisition, and digital processes supported business growth and portfolio quality

Vehicle Finance

Our Vehicle Finance business continued to focus on segments offering better risk-adjusted returns.

- Used Car advances grew by 31% year-on-year to ₹ 2,458 Crore
- Used Commercial Vehicle advances grew by 25% year-on-year to ₹ 5,899 Crore
- Exposure to New Commercial Vehicles was selectively moderated in line with our portfolio strategy

Housing Finance, Gold Loans and MSE Finance

These businesses continued to strengthen their contribution to the overall asset franchise.

- Housing Finance advances increased by 21% year-on-year to ₹ 5,782 Crore, supported by deeper penetration across Tier II to Tier VI markets
- Gold Loans emerged as one of the fastest-growing segments, with the portfolio crossing ₹ 850 Crore, reflecting 180% year-on-year growth
- MSE Finance grew by 24% year-on-year to ₹ 2,090 Crore during the year

Microfinance

Our Microfinance business remained aligned with our strategy of maintaining a calibrated exposure while strengthening portfolio quality and collection efficiency.

- The portfolio constituted approximately 10% of total advances
- Collection efficiency improved significantly from 97.97% in Q4 2024–25 to 99.71% in Q4 2025–26
- Underwriting standards and borrower-level controls were further strengthened through industry guardrails
- As of March 2026, 71% of MFI principal outstanding and 99% of 2025-26 disbursements are covered under CGFMU guarantee scheme

Asset Quality

Asset quality improved meaningfully during the year as collection efficiencies strengthened and stress levels moderated across key markets. During the year, we continued to strengthen our technology and distribution capabilities to support business growth and enhance customer experience. Our asset touchpoints expanded to more than 620 locations, and we leveraged shared infrastructure and integrated operating models to drive productivity and operational efficiency. We further enhanced our Loan Origination System (LOS), enabling streamlined customer onboarding, faster turnaround times, and an improved customer experience across our lending businesses.

Liabilities

Our liability strategy is centred on building a granular, diversified, and relationship-led deposit franchise that supports sustainable growth while strengthening customer engagement. Through focused customer segmentation, digital innovation, enhanced product offerings, and disciplined pricing, we continue to deepen relationships across retail, affluent, non-resident, institutional, and business banking segments.

Despite a highly competitive deposit environment, we maintained a stable and resilient funding profile during 2025-26. Total deposits grew to ₹ **46,533 Crore,** supported by our continued focus on granular retail deposits, relationship banking, and customer acquisition initiatives.

The year also marked the transition towards our **Liability 2.0 strategy,** aimed at enhancing customer lifetime value, improving operating efficiency, and strengthening the quality of the deposit franchise.

Building a Relationship-led Deposit Franchise

As part of our Liability 2.0 strategy, differentiated initiatives were undertaken to deepen engagement with affluent and high net worth customer segments. The House of Elite programme was launched with a tiered approach. Elite lite for mass affluent, Elite for Affluent, Elite Artha for High Net Worth customers, offering tailored solutions for the evolving needs. Concurrently, we expanded our family banking proposition, enabling stronger household level relationship, improving customer retention and high product penetration. Family Banking relationship value crossed ₹ 9,000 Crore during the year. These initiatives collectively position the Bank to deliver sustainable and relationship driven liability franchise.

Expanding NRI, Institutional and Transaction Banking

During the year, we accelerated the expansion of our NRI, institutional, and transaction banking businesses, supported by the operationalisation of the Authorised Dealer Category-I (AD-I) licence. This enabled a meaningful scale-up in foreign exchange capabilities and a broader suite of offerings for non-resident customers. We strengthened our remittance platform through expanded inward transfer services and continued to grow our FCNR deposit portfolio. Targeted propositions such as Equitas Explorer for seafarers and EPIC for non-resident affluent customers were introduced to deepen engagement across key NRI segments, supported by enhanced forex and remittance capabilities.

Wealth, Investment and Digital Ecosystem

We continued to strengthen customer engagement through an expanded suite of wealth, investment, and digital banking solutions, including mutual funds, SIPs, insurance products, ASBA services, and 3-in-1 broking account offerings. During the year, we introduced a TRV-based ASBA platform, enabling customers to apply for IPOs using funds blocked in term deposits, thereby enhancing convenience. Digital adoption continued to gain momentum, with the Equitas 2.0 Mobile App crossing over 6 lakh downloads. We further expanded our digital self-service capabilities to enhance customer experience and engagement across customer segments.

Third-Party Products and Wealth Solutions

We continued to strengthen our Third-Party Products (TPP) ecosystem, enabling customers to access a broader range of investment, protection, and wealth management solutions while creating a sustainable source of fee-based income. Beyond revenue generation, TPP serves as an important lever for deepening customer relationships, enhancing relationship value, and supporting the transition of customers from savers to investors.

Expanding Product Offerings

We offer a diversified suite of wealth and protection solutions through an open-architecture model, providing customers with access to a wide range of investment and insurance options through a single platform.

Our offerings include:

- Mutual Funds and Systematic Investment Plans (SIPs)
- 3-in-1 Trading and Broking Accounts
- ASBA services for IPO participation
- Life, Health, and General Insurance products

Our technology-enabled insurance platform allows customers to compare products and features across multiple providers, supporting informed financial decision-making and improving customer experience.

Building Scale and Customer Engagement

The TPP business continued to gain traction during the year, supported by growing participation across investment, wealth, and protection products.

Key highlights include:

- Approximately **35,000-40,000 active SIP customers**
- Approximately **40,000 ASBA customers**

TPP remains an important component of our House of Elite and Family Banking propositions, helping deepen customer relationships, improve product penetration, and enhance customer stickiness across affluent and emerging affluent segments.

Innovation and Digital Enablement

Innovation and digital adoption continue to play a central role in expanding customer participation across wealth and investment products.

Key developments during the year included:

- Launch of a **TRV-based ASBA platform,** enabling customers to apply for IPOs using funds blocked in term deposits
- Strong customer adoption of ASBA services through digital channels
- Continued expansion of investment and wealth capabilities through the **Equitas 2.0 Mobile App**

These initiatives have strengthened customer convenience while supporting higher engagement across investment and wealth products.

Governance and Customer Protection

We maintain a robust governance framework to ensure responsible distribution of third-party products and safeguard customer interests.

Key elements of the framework include:

- System-driven suitability and propensity assessments through CRM-enabled rule engines
- Automated workflows supporting lead management, servicing, and cross-selling
- Structured controls governing product recommendations and customer suitability
- Ongoing monitoring and oversight to promote fair and transparent customer outcomes

Through a combination of product innovation, digital enablement, and disciplined governance, we continue to strengthen our wealth and protection ecosystem while enhancing relationship value across our customer base.

Opportunities

Several structural and business-specific opportunities provide a strong foundation for long-term growth and value creation. Our established presence in underserved customer segments, combined with our expanding product suite and technology capabilities, positions us well to capitalise on emerging opportunities across retail, MSME, and institutional banking.

Key growth opportunities include:

- **Expanding presence in Small Business Loans,** supported by significant unmet credit demand and our strong underwriting capabilities
- **Scaling thrust businesses such as Gold Loans and Affordable Housing Finance,** leveraging our existing Assets branch network and customer relationships
- **Strengthening forex and remittance offerings** through the operationalisation of our AD1 licence and deepening engagement with Non-Resident customer segments
- **Growing institutional banking relationships,** including participation in government payment ecosystems and transaction banking opportunities

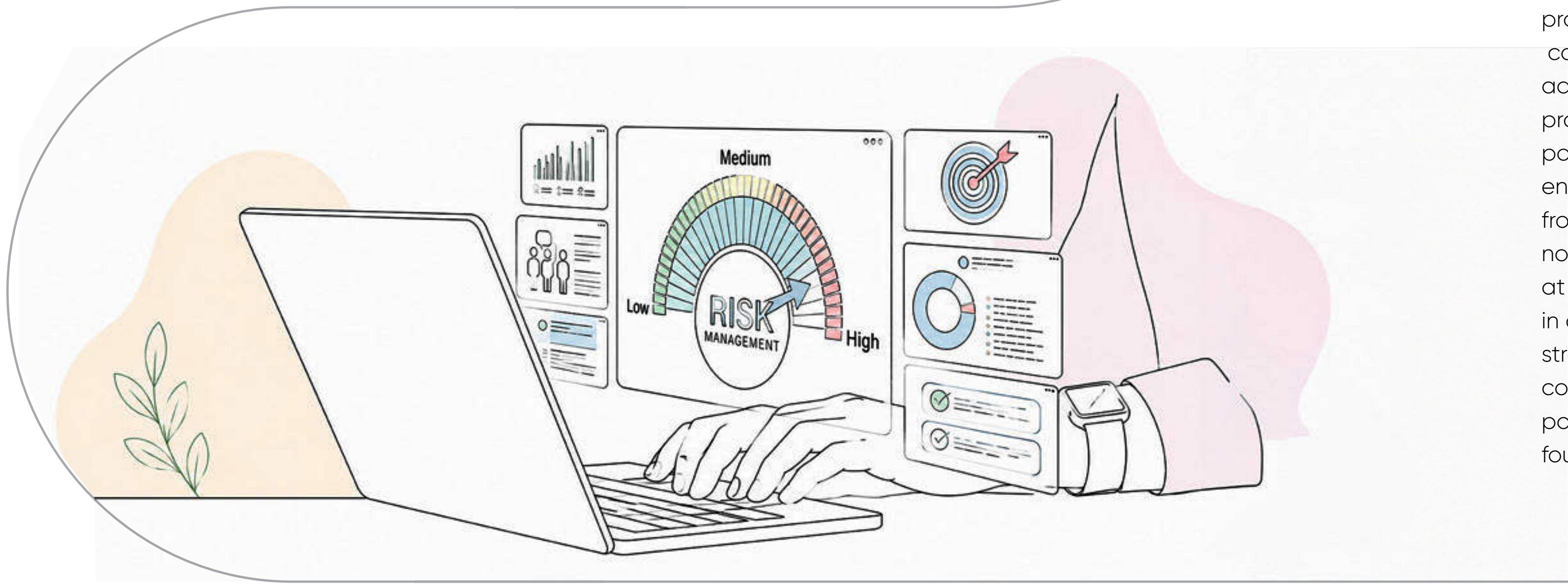
Threats

While the outlook remains positive, we continue to monitor external developments and sector-specific risks that could influence business performance. Our focus remains on maintaining portfolio quality, strengthening risk management practices, and preserving balance sheet resilience.

Key risks and challenges include:

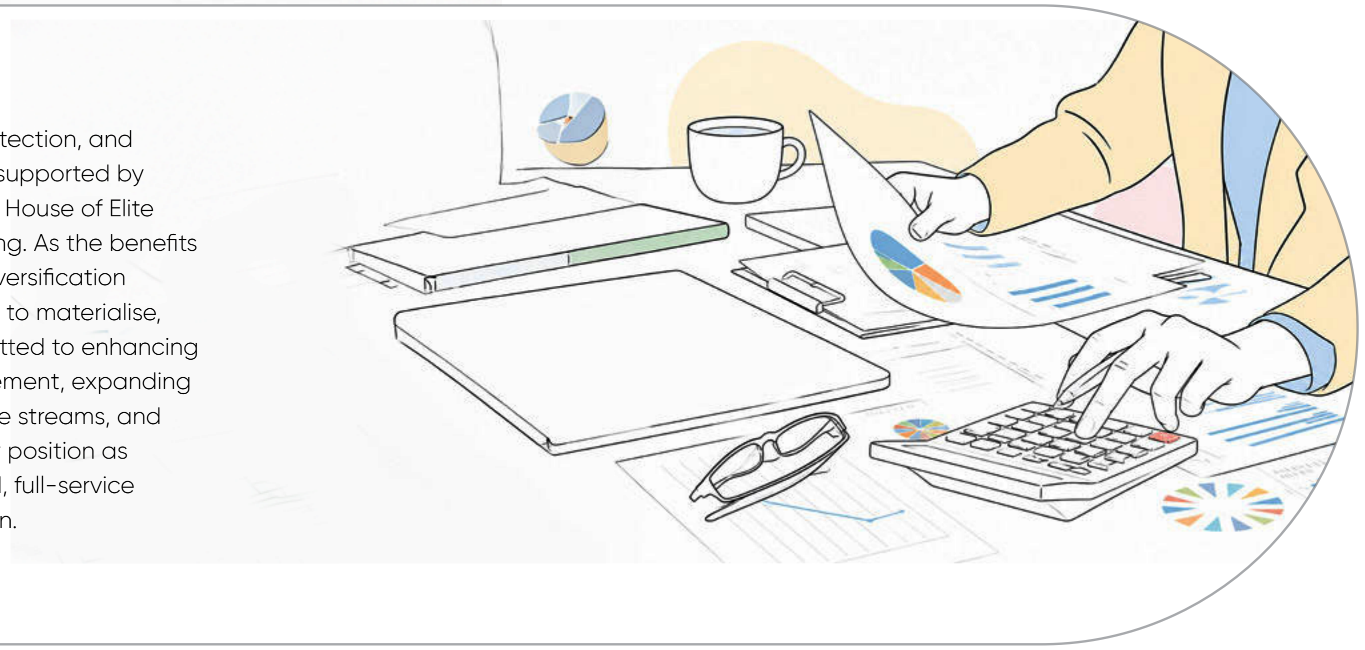
- **Inflationary pressures,** particularly any increase in fuel and energy prices that may impact borrower cash flows in segments such as Commercial Vehicles
- **Geopolitical uncertainties** and potential disruptions to global trade and economic activity
- **Intense competition for deposits,** which may place upward pressure on funding costs despite a stable interest rate environment
- **Seasonal fluctuations in collection efficiencies,** particularly during the first half of the financial year
- **Potential volatility in asset quality,** especially within unsecured portfolios, which could impact credit costs and profitability metrics

Despite these challenges, we remain confident in our ability to deliver sustainable growth, supported by a diversified portfolio, strong liability franchise, disciplined risk management framework, and continued focus on customer-centric innovation.



Outlook for 2026-27

We enter 2026-27 with strong business momentum, improved portfolio resilience, and a clear focus on delivering sustainable growth while maintaining prudent risk management. We will continue to expand our secured lending portfolio across Small Business Loans, Affordable Housing Loans, Gold Loans, and Micro and Small Enterprise (MSE) Finance, while leveraging our distribution network, digital capabilities, and analytics-driven approach to deepen customer relationships, enhance productivity, and improve profitability. At the same time, we remain focused on strengthening our retail, affluent, Non-Resident Indian (NRI), institutional, and transaction banking franchises, accelerating digital adoption, and building a granular, stable, and efficient liability base. We also aim to further scale our Third-Party Products (TPP) franchise through greater customer participation in investment, protection, and wealth solutions, supported by initiatives such as House of Elite and Family Banking. As the benefits of our portfolio diversification strategy continue to materialise, we remain committed to enhancing customer engagement, expanding fee-based income streams, and strengthening our position as a relationship-led, full-service financial institution.



Financial Performance

2025-26 was a year of transition and strengthening for us, marked by decisive balance sheet actions, improved asset quality, and a strong recovery in profitability. We reported a Profit After Tax (PAT) of ₹ 103 Crore despite elevated credit costs arising from prudent and accelerated provisioning measures undertaken during the year. During the first quarter of 2025-26, we created additional one-time provisions of ₹ 330 Crore, comprising ₹ 185 Crore of additional standard asset provisions in the microfinance portfolio and ₹ 145 Crore towards enhanced provisioning arising from changes in provisioning norms. These actions were aimed at proactively addressing stress in our microfinance portfolio, strengthening provisioning coverage across the secured portfolio, and creating a stronger foundation for sustainable growth.

Our core operating performance remained resilient, supported by healthy business growth, improving portfolio quality, and disciplined execution. Net Interest Margin (NIM) strengthened during the second half of the year, aided by growth in advances, lower income reversals, and optimisation of our cost of funds. Our focus on granular retail lending, calibrated portfolio diversification, and expansion of the liability franchise continued to support earnings resilience.

Asset quality improved significantly during the year. Gross Non-Performing Assets (GNPA) improved to 2.60% as of March 31, 2026, from 2.89% in the previous year, while Net Non-Performing Assets (NNPA) declined to 0.72% from 0.98%. Our Provision Coverage Ratio (including technical write-offs) strengthened substantially to 86.81%, reflecting our conservative provisioning approach and enhanced balance sheet resilience. We also undertook strategic recovery and resolution initiatives, including the sale of identified stressed assets to an Asset Reconstruction Company (ARC), further supporting asset quality improvement.

Operating profitability remained healthy as we continued to invest in technology, distribution, frontline capabilities, and new business initiatives to support long-term growth. While operating expenses reflected these strategic investments, the Company remains well-positioned to benefit from operating leverage as business volumes scale and productivity improves.

We maintained a strong capital and liquidity position throughout the year. As of March 31, 2026, our Net Worth stood at ₹ 6,125 Crore, while our Capital Adequacy Ratio (CAR) remained robust at 20.31%, comprising Tier I capital of 16.68% and Tier II capital of 3.63%. During the year, we successfully raised ₹ 500 Crore through Tier II bonds, further strengthening our capital base and supporting future growth plans. Liquidity remained comfortable, with a Liquidity Coverage Ratio (LCR) of 160.93% as on March 31, 2026, significantly above regulatory requirements.

Our strong capital position, improving asset quality, resilient operating performance, and diversified growth strategy provide a solid foundation for sustainable and profitable growth in the years ahead.

Profit and Loss Summary

(₹ in Crore)

Particulars	2025-26	2024-25
Net Interest Income	3,391.17	3,251.61
Other Income	1,073.55	911.49
Net Income	**4,464.72**	**4,163.10**
Operating Expenses	3,199.75	2,828.83
Operating Profit	**1,264.97**	**1,334.27**
Provisions	1,072.66	1,135.42
Provisions for Security Receipts	64.18	-
Profit Before Tax (PBT)	128.13	198.85
Taxes	25.05	51.80
Profit After Tax	**103.08**	**147.05**

Key Ratios

(%)

Particulars	2025-26	2024-25
Yield on Advances	15.55%	16.58%
Cost of Funds	7.22%	7.50%
Spread	8.33%	9.08%
Net Interest Margin	6.69%	7.51%
GNPA	2.60%	2.89%
Credit Cost	2.78%	3.14%
Provision Coverage	73.03%	66.83%
NNPA	0.72%	0.98%
ROA*	0.19%	0.30%
ROE*	1.73%	2.45%
Debt-Equity Ratio#	0.70	0.23
Total Debt to Total Assets$	9.52%	4.04%

*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.

Note: 5 Quarter Average denominator for the key ratios including Yield, NIM, Credit Cost, RoA & RoE. Cost of Funds is based on Daily average.

Balance Sheet

(₹ in Crore)

Particulars	2025-26	2024-25
Capitals and Liabilities		
Capital	1,141.04	1,139.86
Reserves and Surplus	4,983.79	4,932.66
Deposits	46,533.09	43,102.31
Borrowings	5,772.55	2,136.99
Other Liabilities and Provisions	2,179.89	1,523.81
Total	**60,610.36**	**52,835.63**
Assets		
Cash and Balances with Reserve Bank of India	5,563.29	4,954.11
Balances with Banks and Money at Call and Short Notice	103.00	582.19
Investments	10,148.83	9,288.69
Advances	42,751.29	36,208.89
Fixed Assets	715.28	695.70
Other Assets	1,328.67	1,106.05
Total	**60,610.36**	**52,835.63**

Business Review

Gross Advances

(₹ in Crore)

Particulars	2025-26	2024-25	Y-o-Y %
Small Business Loans	18,558.61	16,383.10	13%
Vehicle Finance	10,626.35	9,455.97	12%
Housing Finance	5,782.28	4,768.72	21%
Micro Finance	4,667.91	4,526.62	3%
MSE Finance	2,090.32	1,688.98	24%
Loan against Gold	894.06	319.34	180%
NBFC	1,938.49	524.89	269%
Others[1]	1,607.38	318.82	404%
Total[2]	**46,165.40**	**37,986.44**	**22%**

[1]Note: Others include unsecured business loans, overdrafts against fixed deposits and staff loans, direct assignment.

[2]Gross advances, including IBPC, securitisation/assignments.

Liabilities

(₹ in Crore)

Particulars	2025-26	2024-25	Y-O-Y %
Demand Deposits	1,536.34	1,643.63	(7%)
Savings Bank Deposits	10,661.90	10,762.18	(1%)
Term Deposits	34,334.85	30,696.50	12%
– Retail Deposits	19,598.96	18,446.57	6%
– Bulk Deposits	14,735.89	12,249.93	20%
Total	**46,533.09**	**43,102.31**	**8%**

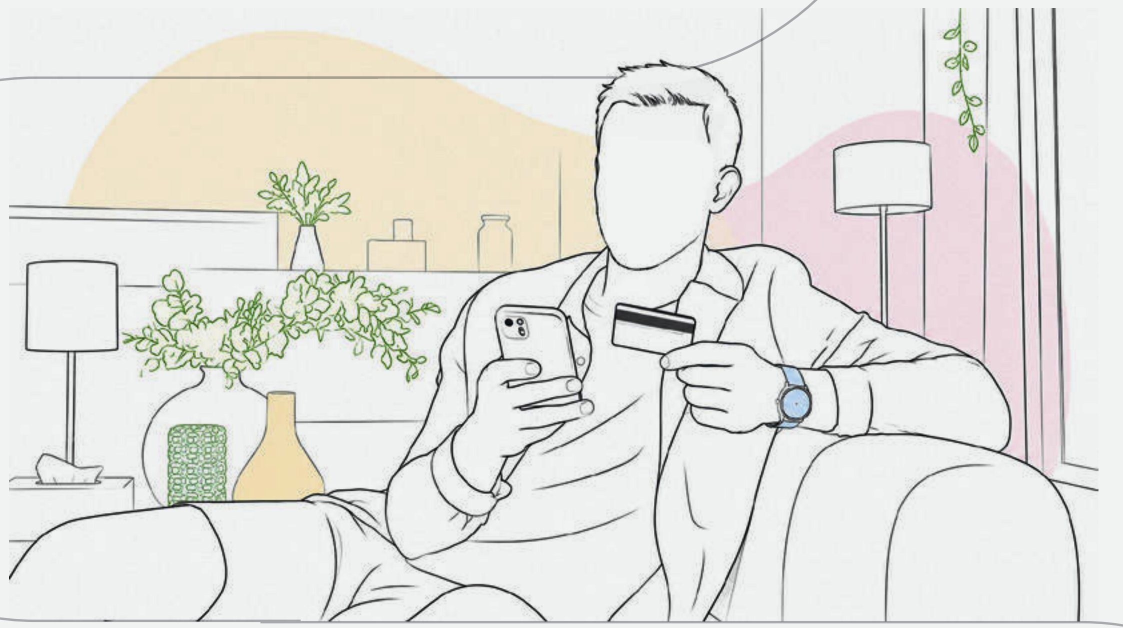
Disclosure of Accounting Treatment

We have adopted accounting policies which are in line with the Accounting Standards and as prescribed by the regulators.

Information Technology

Technology continues to be a strategic enabler of Equitas's growth journey, supporting business scalability, customer experience, operational efficiency, financial inclusion, and risk management. During 2025-26, the role of IT evolved from a traditional support function to a key driver of digitally-led growth, helping the Bank strengthen customer servicing capabilities, accelerate digital acquisition, and build a secure and scalable operating model aligned with its strategic focus on secured lending and digital-first growth.

Our investments remain focused on creating a future-ready technology ecosystem that enhances customer convenience, improves productivity, strengthens risk controls, and expands access to formal financial services across urban, semi-urban, and underserved markets.



Digital Banking and Customer Experience

The Bank continued to strengthen its digital engagement ecosystem through enhanced self-service capabilities, integrated onboarding journeys, and paperless banking solutions. These initiatives are helping improve customer acquisition, deepen engagement, and deliver a seamless omnichannel banking experience.

Key developments during 2025-26 included:

- **Enhancement of Equitas 2.0:** The Bank's next-generation Internet and Mobile Banking platform was further strengthened and benchmarked against leading banking applications in India to deliver a feature-rich, secure, and intuitive customer experience
- **Advanced self-service capabilities:** Customers can now access a comprehensive suite of digital banking services comparable to leading banks, improving convenience and reducing dependency on branch-based interactions
- **Integrated ASBA IPO processing:** Full integration within Internet and Mobile Banking platforms has significantly increased digital adoption for IPO applications
- **Enhanced authentication and security features:** SIM-binding technology and the Bank's in-house developed One-Tap OTP capability provide a secure and convenient transaction experience, particularly in situations where SMS OTPs may not be readily available
- **Expansion of the Selfe ecosystem:** End-to-end digital journeys under the Selfe platform now support:
  - Savings Account opening
  - Fixed Deposit booking
  - Credit Card applications
  - Personal Loan applications
- **Introduction of digital forex services:** New technology-enabled capabilities have expanded the Bank's product offerings and improved customer convenience
- **Paperless servicing initiatives:** Digital onboarding and servicing journeys were extended across products and services such as FASTag issuance, assisted FD opening, and customer declarations, reducing turnaround times and operational dependencies

Digital Lending and Financial Inclusion

Technology continues to play a central role in simplifying lending processes, improving turnaround times, and expanding access to formal financial services.

The Bank has introduced targeted digital interventions aimed at deepening financial inclusion, particularly across semi-urban and underserved markets. By digitising sourcing and onboarding processes, Equitas has enabled field teams to complete customer journeys through intuitive digital interfaces while significantly reducing dependency on physical documentation.

Key initiatives include:

- Paperless and assisted digital origination across lending products
- Aadhaar-enabled e-KYC and biometric authentication for secure and real-time customer verification
- e-Sign enabled agreement execution, eliminating physical signatures and accelerating loan processing
- Digital onboarding journeys that improve accessibility for customers in remote geographies

The Selfe Loan platform continues to support customer acquisition across key lending segments, including vehicle loans and retail loans. The platform enables customers to initiate loan applications digitally while supporting straight-through onboarding for personal loans and credit cards, thereby improving reach, convenience, and conversion efficiency.

Operational Excellence through Technology

The Bank continues to modernise its technology architecture to improve agility, scalability, and operational efficiency.

Key focus areas include:

- Development of cloud-native platforms built on microservices architecture and low-code frameworks
- Enhanced workflow digitisation and straight-through processing capabilities
- Greater automation across customer onboarding, servicing, and operational processes
- Continued deployment of automation initiatives to improve productivity and optimise resource utilisation

These investments are helping create a more agile technology environment capable of supporting future business growth.

Data Analytics, AI and Risk Management

Data analytics, and artificial intelligence are playing an increasingly important role in enhancing customer engagement, improving operational effectiveness, and strengthening risk management.

The Bank leverages advanced analytics to:

- Generate customer insights and personalised product recommendations
- Identify propensity-based cross-sell opportunities
- Improve customer engagement and relationship deepening
- Enhance conversion rates and sales effectiveness

As digital transaction volumes continue to rise, the Bank has also strengthened its fraud detection and monitoring capabilities.

Key advancements include:

- Deployment of AI and analytics-based fraud monitoring solutions
- Near real-time identification of anomalous transaction patterns and suspicious activities
- Enhanced proactive risk monitoring and customer protection capabilities
- Strengthened fraud prevention framework supporting a secure digital banking ecosystem

Technology Infrastructure and Cybersecurity

The Bank remains focused on building a resilient and scalable technology infrastructure capable of supporting increasing digital transaction volumes and future business expansion.

The Bank follows a clearly defined cloud strategy under which customer-facing and high-volume transaction applications are deployed on cloud infrastructure, while selected applications continue to operate within on-premise environments. This hybrid architecture enhances scalability, operational resilience, and performance optimisation.

Key cybersecurity initiatives undertaken during 2025-26 include:

- Implementation of Zero Trust Network Access (ZTNA) based on the principle of 'never trust, always verify,' enabling secure application access based on user identity and contextual controls
- Deployment of Cloud Native Application Protection Platform (CNAPP) to strengthen security across cloud-native environments
- Enhanced visibility across cloud applications and workloads
- Early identification and remediation of vulnerabilities during the development lifecycle
- Improved risk prioritisation and security governance across cloud environments

Leveraging India's Digital Public Infrastructure

The Bank continues to leverage government-backed digital infrastructure to strengthen onboarding, verification, lending, and fraud prevention capabilities.

Key initiatives include:

- Integration with Aadhaar, UPI, and Digital KYC ecosystems for customer onboarding and verification
- Use of both biometric-based and OTP-based Aadhaar authentication mechanisms
- Implementation of RBI Innovation Hub's AI-powered **MuleHunter** initiative to strengthen fraud detection and prevention
- Utilisation of the **Unified Lending Interface (ULI)** framework and the government-backed **VAHAN** database to streamline verification and improve lending efficiency in the vehicle finance business

Looking Ahead

Technology, digitalisation, analytics, cybersecurity, and artificial intelligence will remain central to Equitas's long-term growth strategy. Through continued investments in cloud technologies, automation, digital platforms, and intelligent analytics, the Bank aims to enhance operational efficiency, deepen financial inclusion, strengthen risk management capabilities, and deliver seamless banking experiences across its growing customer base.

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 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.

Our Bank has several management-level committees, including the Enterprise Risk Management Committee, Asset Liability Management Committee, Credit Risk Management Committee, Operational Risk Management Committee, Business Continuity Management Committee, Fraud Monitoring Group, and Information Security & Cyber Risk Committee. These committees meet periodically to comprehensively review risks in their respective areas. Equitas SFB also maintains an independent risk management function led by the Chief Risk Officer, underpins these efforts with objective risk assessment and monitoring.
The Bank strengthened its risk management framework through a Model Risk Management framework, strengthened RCSA processes, enhanced fraud risk management and extended EWS monitoring.

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

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, for constant tracking of key ratios. This initiative will continue, enhancing the precision and efficiency of credit risk oversight.

ALM and Market Risk Management

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 remains dedicated to managing cybersecurity risks, including assessments of vendors, technologies, and applications. During 2025–26, the Bank further strengthened its data privacy risk management, aligning internal controls with evolving regulatory requirements and continuing to embed privacy into risk assessments. The Bank also reinforced structured evaluation processes for safely integrating emerging technologies, placing additional focus on artificial intelligence to ensure the responsible adoption of AI and to strengthen defences against AI-related threats, thereby balancing innovation with robust security.

The Bank has further reinforced its cybersecurity posture through the implementation of Zero Trust Network Access (ZTNA), deployment of an advanced Security Information and Event Management (SIEM) platform, enhancement of cloud security through continuous security posture management and workload protection. The Bank has achieved PCI DSS certification and ISO/IEC 27001:2022 certification, demonstrating its adherence to globally recognised standards for information security, data protection, and secure payment processing.

As directed by the IT Steering Committee (ITSC), Equitas Small Finance Bank strengthened its cybersecurity framework through the implementation of Zero Trust Network Access (ZTNA), an advanced SIEM platform, enhanced cloud security controls, and AI-driven threat detection and incident response capabilities. The Bank also achieved PCI DSS and ISO/IEC 27001:2022 certifications, reinforcing its commitment to global standards for information security, data protection, secure payment processing, and resilient digital banking services.

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 Database Management

Systematic collection and classification of operational loss events facilitate root cause analysis and remediation planning. High-severity incidents are escalated for focused 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 n^{th} parties.

Business Continuity and Disaster Recovery Management

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.

Compliance

The Compliance Culture of the Bank starts at the very top. The Compliance philosophy of the Bank is 'When in doubt, the benefit of doubt goes to the Regulator and not to the Bank.' If there is a doubt in interpreting regulations, the Bank pro-actively writes and seeks clarification from the Regulator. Equitas has a policy of Zero Tolerance for non-compliance.

It is a simple principle that the Bank would like all its stakeholders to follow - 'Compliance over Everything'.

The Compliance Function, led by the Chief Compliance Officer, operates as an independent unit within the Bank. Its primary role is to aid the Management in identifying compliance risks throughout the organisation and managing them through the formulation of appropriate policies, procedures, and oversight measures. The function is dedicated to overseeing the implementation of regulatory standards across the Bank, with a key focus on designing and maintaining the compliance framework, providing training on regulatory and conduct risks, and facilitating effective communication of compliance expectations.

This unit of the Compliance Function conducts reviews of the policies and products introduced by the Bank. It has established a framework to monitor transactions and assess the implementation of regulations. Proactively engaging with Regulators, the Compliance Function ensures adherence to all applicable regulations.

The details of any breaches and critical findings identified through various testing are communicated to the regulator immediately by the Compliance team. This has been institutionalised across all control functions through a formal communication under which any critical findings can be reported to RBI immediately on its discovery by anyone in the system, without waiting for periodic updates of reports.

This institutionalisation of independence for control functions is especially important in a young, growing bank since it would ensure that such good governance practices form the guardrails for supporting the growth.

Its scope of activities can be broadly listed as under:

Identifying and communicating new regulations and amendments to existing regulations to the top management, explicitly outlining actionable items, assigning responsible processes for implementation, and specifying timelines for execution.

Monitoring the execution of actionable items arising from the current regulatory framework, new regulations, regulatory amendments, audit observations, compliance testing observations, and the RBI inspection findings. Reporting the status of these activities to the Senior Management, Audit Committee of the Board and to the Board at regular intervals.

Developing a compliance risk assessment plan for the year with a focus on risk, obtaining approval from the Audit Committee of the Board, implementing the plan, reporting findings to the Audit Committee, and monitoring them through till completion.

Offering advisory support to operational departments in interpreting regulatory provisions and directives, facilitating compliance with regulations both in letter and in spirit and vetting marketing communication from a compliance perspective. The Compliance Function engages with the RBI as needed to seek clarification on interpreting regulations.

Reviewing and approving all new products, policies, and outsourcing arrangements, as well as conducting periodic reviews and amendments to existing policies, products, and outsourcing arrangements to ensure compliance with regulations and maintaining a repository of policies at the Bank level.

Assessing and monitoring the overall and granular-level compliance risk of the Bank, following the Board-approved Compliance Risk Assessment framework, and reporting the results to the Audit Committee and Board.

Establishing a framework for implementing Anti-Money Laundering (AML) regulations and guidelines, continuously assessing and monitoring AML risk stemming from account-level transactions, the introduction of new products and channels, expansion into new geographies, customer categories, among others and periodically reporting the outcomes to the Board.

Conducting thematic assessments of the Bank's policies, processes, and systems, with a particular focus on critical areas. Recommending and implementing enhancements to processes and systems to minimise the likelihood of non-compliance.

Initiatives during the year 2025-26:

The Compliance team has completed a thematic study of identified critical regulatory areas like Compromise Settlement, Standardisation of customer information for borrowers, Fraud Risk Management and Customer Risk Categorisation framework jointly with other internal stakeholders.

In alignment with the focus on leveraging technology for improving controls to ensure compliance, the Bank has identified and strengthened controls across areas such as Customer Experience, CBS, Payment Operation, Internal Accounts and Loan Maintenance. This is an ongoing exercise where the Bank will identify and implement controls continuously. Progress in respect of the same is communicated to RBI on a monthly basis.

As committed to RBI, the automation of regulatory ratios has been completed during the year. The Bank is performing parallel computation of ratios, both in manual and automated modes for the next six months to iron out teething issues in automation.

In addition to the regular compliance testing, the team continues to monitor RBI's penal action on other banks and proactively ascertains the compliance position of the Bank on those regulations. The gaps identified and the proposed remedial action with timelines are proactively communicated to RBI.

The Bank has established a cross-functional team involving key stakeholders including Operations, IT and Business Intelligence Unit to monitor data sanity and flow issues between systems and take corrective and preventive action as necessary. The progress and developments in this regard are monitored by Data Governance Council under the chairmanship of ED. This has helped in improving the quality of data submitted to regulators as evident in the recent inspection of RBI.

The Bank continues to perform analysis of Suspicious Transaction Reports (STR) filed by the Bank to

- understand patterns and new typologies of transactions for sharing with FIU
- identify process and knowledge gaps, if any
- initiate remedial measures to address the gaps.

Seven such typologies were shared with FIU for their priority action, during this year.

The Bank has ensured effective coordination and alignment between FRM and AML functions in respect of identification and reporting of money mule accounts. As an indication of the same, more than half of the mules reported during the year are self-identified by the Bank.

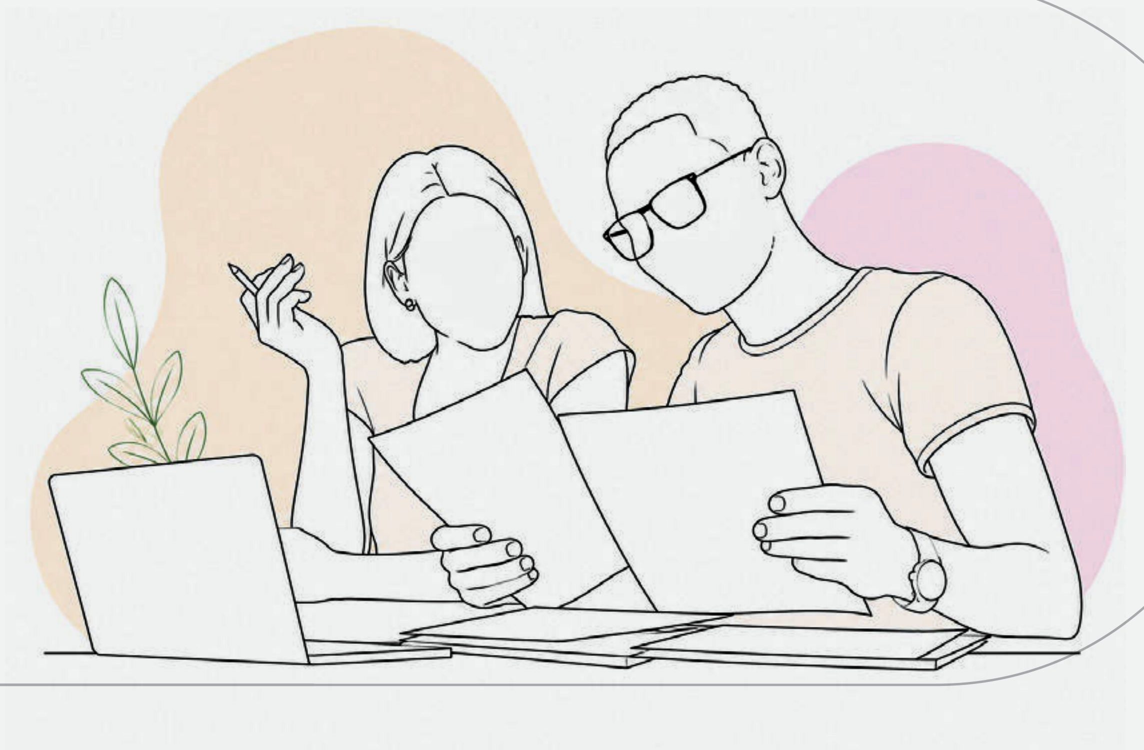
As an initiative to propagate compliance culture and awareness of money laundering, the Compliance team has started sending monthly newsletters on various compliance and audit lapses on these areas as well as educational mailers as an awareness initiative for field staff and the need for enhanced vigilance to prevent their recurrence.

The Bank has been awarded a team award (by FinCrime Expert) for 'Best Case Study in FCC' amongst all the BFSI entities in the Private Sector (All Banks including Large NBFC and Co-Op Banks) while SBI was awarded in the same category among PSU banks. The Bank is receiving this industry-level award for the second time in a row.

FIU-IND has appreciated the Bank for its dedicated, passionate and exceptional analytical skills which has helped FIU-IND sharing actionable intelligence with Legal Enforcement Agencies (LEAs).

Way forward

- Focus on strengthening the first line of defence by enhancing the RCSA framework with detailed Key Risk Indicators and periodic testing within first line of defence.
- Continuing with the efforts towards automation of data points for submission to RBI as RBS – Tranche I, to the extent possible.
- Strengthening the governance framework around Enterprise Data Warehouse (EDW) through timely generation of reports, validation of data extracted through reports, mitigating discrepancies identified by various stakeholders, monitoring the sustenance of the same and ensuring ongoing interaction between various stakeholders on managing the flow of data
- Continue engagement with vendors including RBI Innovation Hub for implementing solutions
  - to detect and prevent potential mule accounts from being on-boarded
  - to identify accounts turning money mule based on transaction monitoring
- Continue to anchor thematic study of computation of regulatory ratios – CRAR (Capital to Risk Weighted Assets Ratio), LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio), AML operations – alert review and closure, computation, levy and recovery of charges and ensuring robust system controls in respect of the same.
- Automation of regulatory and supervisory returns including filings with RBI and FIU-IND.
- Promoting and implementing AI-ML to improve detection of suspicious transaction patterns and eliminate false positives.



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 continuously developing capabilities to transition to an exception-based audit approach.

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 is formed of a seasoned team of professionals, with expertise in balance sheet optimisation, fund-raising, and dealing in various financial instruments and markets. During the year, Treasury achieved its highest ever profit of ₹ 180 Crore through investment and trading activities spanning Government Securities, Non-SLR Debt instruments, Equity Markets, Mutual Funds and Foreign Exchange products. This was achieved through nimble positioning and asset allocation strategies tailored to prevailing market conditions while operating within the Bank's risk appetite.

The domestic 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. The Foreign Exchange dealing desk continues to roll out new currency pairs and products based on the Bank's phased scale-up of retail foreign exchange products.

During the year, Treasury successfully raised ₹ 500 Crore through a second tranche of Basel II-compliant Tier II Bonds. Treasury has supported and supplemented deposit mobilisation initiatives, optimised the cost of funds, and broadened 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.

Human Resources

At Equitas Small Finance Bank, our people remain central to our growth and transformation journey. During 2025-26, we continued to strengthen our people practices through a strategic focus on talent acquisition, capability development, employee engagement, workforce analytics, and culture-building initiatives. Guided by our Care and Connect philosophy, we leveraged technology, structured people processes, and data-driven insights to enhance employee experiences while aligning talent priorities with evolving business needs.

Building a Future-ready Workforce

We continued to strengthen our talent acquisition capabilities through enhancements to our integrated HR technology platform, resulting in improved recruitment efficiency, process standardisation, and hiring outcomes. Our focus remained on building scalable talent pipelines aligned to business growth requirements through targeted campus engagement and innovative hiring models.

Key highlights during the year included:

- Onboarded over **300 Business Development Officers** through the Hire-Train-Deploy programme
- Implemented a tiered **campus hiring strategy** to strengthen talent quality and optimise recruitment investments
- Women represented **12% of the Bank's active workforce,** reflecting our continued focus on diversity and inclusion
- As part of the Bank's efforts to manage attrition, **Branch Family Day for 900+ branches** was conducted to foster a stronger connect with family, enhancing belongingness and engagement

Enhancing Employee Experience and Capability

We continued to invest in creating a seamless employee experience across the talent lifecycle. Structured onboarding initiatives such as Aarambh and Integrate enabled new employees to quickly assimilate into the organisation through role-specific learning, field exposure, and dedicated support during their initial months. Our performance management framework continued to promote transparency, accountability, and career development, supported by competitive compensation and employee well-being initiatives.

Learning and capability development remained a strategic priority. We advanced leadership development through Individual Development Plans, mentoring, cross-functional assignments, and specialised learning interventions. Programmes such as Ascend and ARISE supported leadership readiness and career progression across business functions, while focused capability-building initiatives enhanced field force effectiveness, customer service excellence, regulatory compliance, and operational proficiency.

Learning and development highlights included:

- **27,759 unique employees** trained during the year
- Delivered over **4,850 hours** of behavioural training
- Achieved an average of **5.51 learning man-days per employee**
- Employees earned over **3,400 learning badges** through digital learning platforms

Strengthening Care, Connect and Employee Engagement

Employee well-being and engagement continued to remain at the core of our people agenda. Through wellness programmes, leadership connect initiatives, employee surveys, branch engagement activities, family connect programmes, and structured recognition platforms, we reinforced a culture of care, inclusion, and belonging. We also extended support beyond policy frameworks through initiatives such as emergency financial assistance, leave donation programmes, and enhanced medical support measures, reflecting our commitment to employee welfare.

Our efforts to foster a positive and engaging workplace were recognised externally through:

- **Silver Award** at the Brandon Hall Excellence in Action Awards 2025
- **#1 Ranking** in the AmbitionBox Employee Choice Awards 2025 across both the Large Banking and Large Companies categories

Leveraging Data and Culture to Drive Performance

During the year, we further strengthened our analytics-led approach to people management through the use of predictive attrition models, workforce dashboards, machine learning-based insights, and business intelligence tools. These capabilities enabled proactive workforce planning, improved retention interventions, and more informed talent decisions.

We also continued to reinforce our values-led culture through targeted initiatives such as Equitas Way, C.O.R.E. (Celebrating Outstanding Results through Equitas Values), and Ethical Excellence in Action. The Eagle Eye Award recognises Risk team members who demonstrate proactive risk identification and mitigation, strengthening the Bank's risk culture. The 'Undercover Anna' awareness series was introduced to drive understanding of disciplinary related cases, enabling employees to adopt responsible practices.

These programmes strengthened cultural alignment, reinforced expected behaviours, and promoted ethical decision-making across the organisation.

Our annual Culture Pulse Survey recorded an average employee response score of **4.36 out of 5.00,** reflecting strong engagement levels and alignment with the Bank's values and culture.

As we continue to scale our business and advance our digital agenda, we remain committed to building a resilient, agile, and future-ready workforce capable of supporting sustainable growth and long-term value creation.

Corporate Social Responsibility

At Equitas Small Finance Bank, creating a positive impact beyond banking is at the heart of our values. Our CSR approach is guided by the principles of inclusion, empowerment, and sustainable development, with a focus on ensuring that social progress complements economic advancement. Through initiatives spanning healthcare, livelihood enhancement, women's empowerment, education, rehabilitation, and community welfare, we work to uplift underserved sections of society and enable lasting change.

Through the Equitas Development Initiatives Trust (EDIT), we implement programmes that address critical community needs, generate measurable impact, and promote self-sufficiency, while

Key Areas of Intervention

Healthcare

Improved access to healthcare through medical camps, preventive care initiatives, health education programmes, and specialised treatment support for underserved communities.

Women's Empowerment and Livelihood Generation

Promoted economic independence through skill development, entrepreneurship support, and livelihood enhancement programmes for women.

Employment Generation

Enhanced employability and facilitated job opportunities for youth through training, placement support, and industry partnerships.

Diversity, Equity and Inclusion

Supported persons with disabilities and advanced transgender inclusion through targeted empowerment and livelihood initiatives.

Rehabilitation and Community Development

Enabled the rehabilitation of homeless families and implemented community development programmes focused on education, vocational training, and social welfare.

Healthcare Infrastructure

A key pillar of our healthcare outreach is the Sringeri Sharada Equitas Hospital (SSEH), a 100-bed multi-specialty hospital established in partnership with Sringeri Sharada Mutt in South Chennai. The hospital provides accessible and affordable healthcare services, with a focus on specialised treatment, preventive care, cancer care, and community health programmes.

Details of CSR Initiatives	Number of Beneficiaries as of March 31, 2026	Number of Beneficiaries as of March 31, 2025
No. of Eye-Camp Participants (A)	34,30,802	33,05,897
No. of free Spectacles	1,52,878	1,44,429
Cataract Operations	43,274	41,317
Vaccination Camp Participants (B)	57,52,876	57,52,876
General Medical Camp Participants (C)	47,99,317	46,44,377
Other Camps (Homeopathy Camps/Ayurveda Camp Participants) (D)	99,512	98,486
Total (Eye Camps + Other Med Camps + COVID-19 + Health Clinic) (A) + (B) + (C) + (D)	**1,40,82,507**	**1,38,01,636**
Veterinary Camp	54,121	48,538
Health Help Line	244	227
No. of Health Camps	54,375	52,074
No. of Vaccination Camps	54,252	54,252
Health Screening Vehicle Finance Clients	55,127	53,450
Participants in Skill Training Programmes (A)	7,25,387	7,04,012
EGK Tailoring Centre (B)	912	856
EGK Computer Centre (C)	720	720
Skill training Programmes (A+B+C)	**7,27,019**	**7,05,588**
Placements for Unemployed Youth	3,57,991	3,29,917
Swasth Mahila Health Education	16,10,427	14,27,303
Persons with Disability	1,81,645	1,79,864
Persons with Disability (Visually Impaired)	35,110	34,456
Equitas Birds Nest-Rehab of the Homeless	6,339	5,988
Equitas Birds Nest-Rehab of Homeless - Pune	109	100
Equitas Birds Nest-Scholarship	2,952	2,729
Transgender Inclusion	636	564
Equitas Temporary Market	346	284

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 our 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 Tenth 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, 2026 (FY 2025-26).

1. Summary of Financial Performance

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025	Y-o-Y %
Deposits & Other Borrowings	52,30,563.88	45,23,930.27	15.62
Advances	42,75,128.76	36,20,888.81	18.07
Total Income	7,86,778.43	7,22,321.41	8.92
Operating Profits (Profits before Provision, Depreciation and Taxation)	1,43,148.87	1,48,241.65	(3.44)
Less: Depreciation	16,652.01	14,814.93	12.40
Less: Provision and contingencies	1,13,683.57	1,13,541.81	0.12
Less: Provision for Taxation	2,505.01	5,179.92	(51.64)
Net Profit	10,308.28	14,704.99	(29.90)
Add: Profit brought forward	89,747.06	93,682.19	(4.20)
Add: Reversal of ESOP Cost on Lapse of options	1,291.91	357.58	261.29
Total	**1,01,347.25**	**1,08,744.76**	**(6.80)**
Appropriations			
Transfer to Statutory Reserve	2,577.07	3,676.25	(29.90)
Transfer to Special Reserve	687.62	723.85	(5.01)
Transfer to Capital Reserve	3,730.31	1,231.13	203.00
Transfer to Investment Fluctuation Reserve	-	2,000.00	NA
Dividend pertaining to previous year	-	11,366.47	NA
Balance carried over to Balance Sheet	94,352.25	89,747.06	5.13
Total	**1,01,347.25**	**1,08,744.76**	**(6.80)**

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, 2026.

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**

During the year, as approved by the Board of Directors on December 23, 2025, the Dividend Distribution Policy was amended to align with SEBI (Listing Obligations and Disclosure Requirements) Fifth Amendment Regulations, 2025 (notified on November 18, 2025) with regard to mode of payment besides certain minor presentation-related amendments.

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, 2026.

Amount transferred to	₹ in Lakhs
Statutory Reserve	2,577.07
Special Reserve	687.62
Capital Reserve	
- Through Profit & Loss Account Appropriation	3,730.31
- Gain on sale of Equity Shares (initial recognition) transferred from AFS Reserve	17.27

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 2025-26.

5. Capital Adequacy

The Capital Adequacy Ratio stood at 20.31% as on March 31, 2026 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 ₹ 6,12,483.26 Lakhs.

6. Material changes and commitments affecting the Financial Position of the Bank after the Balance Sheet date as on March 31, 2026

There were no material changes and commitments between the end of Financial Year 2025-26 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 2025- 26 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 the 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 Bank contributes to CSR activities in accordance with statutory requirements under the Companies Act, 2013. A robust governance framework, including oversight by the CSR Committee and Board, ensures effective monitoring and utilization of funds. The Policy is reviewed periodically to align with regulatory requirements. During the year, 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 the implementing agencies viz., 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 had allotted in aggregate 11,80,639 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, 2026 is ₹ 11,41,04,30,600/- comprising of 1,14,10,43,060 equity shares of ₹ 10/- each.

(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 to ₹ 500 Crores ("NCDs") [which includes a green shoe option of up to ₹ 250,00,00,000/- (Rupees Two 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
July 21, 2025	July 31, 2025	9.6% (Nine Decimal Point Six Percent) Per Annum	July 31, 2030	Issuance of non-convertible debentures is for augmenting Tier-II capital and for general corporate purposes

12. Meetings of the Board

During FY 2025-26, the Board of Directors of the Bank had met twelve (12) 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 Act & 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 and the details of the Committees of the Board is available in the website of the Bank **Click here**.

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:

Re-appointment of Independent Director

Re-appointment of Mr. Ramesh Rangan (DIN: 07586413) as an Independent Director of the Bank for a second consecutive term of three years effective from November 09, 2025 until November 08, 2028 (both days inclusive), not liable to retire by rotation, which was approved by the Members vide a Special Resolution passed at the Ninth AGM of the Bank held on September 10, 2025.

In the opinion of the Board, the Independent Director re-appointed as mentioned above possesses the requisite integrity, qualification, experience, proficiency and fulfils the criteria of independence and expertise, as stipulated by the applicable Rules and Regulations, thereby immensely benefitting the Bank.

Appointment of Executive Director (Whole-Time Director) & KMP

In adherence with the approval accorded by the Reserve Bank of India (RBI) vide its letter dated December 11, 2024, Mr. Balaji Nuthalapadi (DIN: 08198456) was co-opted as an Additional Director in the category of Whole-Time Director from the date of his taking charge, i.e., March 29, 2025. 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.

Re-appointment of Directors liable to retire by rotation

In terms of the provisions of Section 152 of the Act and the Articles of Association of the Bank, Mr. Vasudevan P N (DIN: 01550885), Managing Director & CEO retired by rotation at the last AGM (Ninth AGM held on September 10, 2025) and, being eligible, was duly re-appointed by the Members of the Bank.

Re-appointment of Independent Directors

Ms. Geeta Dutta Goel (DIN: 02277155) was appointed as an Independent Director of the Bank for a period of five years effective from December 27, 2021. As per the provisions of Section 149 of 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 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. Ms. Geeta Dutta Goel would complete five years as an Independent Director of the Bank on December 26, 2026. The Board of Directors at its meeting held on June 24, 2026 had approved the re-appointment of Ms. Geeta Dutta Goel as an Independent Director of the Bank for a period of three (3) years effective December 27, 2026 until December 26, 2029, 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.

The performance evaluation of Ms. Geeta Dutta Goel was conducted in accordance with the criteria approved by the Nomination and Remuneration Committee. The evaluation indicated that she demonstrates professionalism, integrity and active participation, contributing effectively to the Board and its Committees. The Board, based on the performance evaluation and further due diligence, considers that given her background, experience and contribution, the continued association of Ms. Geeta Dutta Goel 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.

Re-appointment of Managing Director & CEO

Mr. Vasudevan P N (DIN: 01550885) has been appointed as the Managing Director & CEO of the Bank since its inception from September 04, 2016, pursuant to the approvals of Reserve Bank of India (RBI) from time to time. The current tenure of Mr. Vasudevan P N as the Managing Director & CEO of the Bank is set to end on July 22, 2026.

The Board of Directors of the Bank, at its Meeting held on June 24, 2026, pursuant to the approval accorded by the RBI vide its letter dated April 23, 2026, approved the re-appointment of Mr. Vasudevan P N as the Managing Director & CEO of the Bank for a further term of three (3) years, effective from July 23, 2026, up to July 22, 2029, which is subject to the approval of Members of the Bank.

The Board, based on recommendations of Nomination and Remuneration Committee (NRC) is of the opinion that Mr. Vasudevan P N possesses the requisite qualifications, experience, expertise and integrity, and has made significant contributions to the growth and performance of the Bank during his tenure. Accordingly, the Board considers his re-appointment to be in the best interests of the Bank. The aforesaid re-appointment has been placed for approval of the Members at the ensuing Annual General Meeting of the Bank.

Directors liable to retire by rotation

Section 152 of the Act 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 Act, 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. Balaji Nuthalapadi (DIN: 08198456), Executive Director (Whole-Time Director), being the longest-serving Director since his last appointment will retire by rotation at the ensuing AGM of the Bank and being eligible, offers himself for reappointment.

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. Balaji Nuthalapadi, Executive Director (Whole-Time Director), seeking re-appointment at the ensuing AGM as required under Secretarial Standard 2 on General meetings and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2026:

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)

During the year, there were no changes in the Key Managerial Personnel of the Bank except for the approval accorded by the Members for the appointment of Mr. Balaji Nuthalapadi as the Executive Director (Whole-Time Director), of the Bank as stated in the foregoing paragraphs, re-appointment of Mr. Vasudevan P N by the Members of the Bank and re-appointment of Mr. Sridharan N as the Chief Financial Officer (CFO) of the Bank for a period of one (1) year with effect from July 01, 2025 till June 30, 2026 which was approved at the Board meeting held on June 27, 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 Act.

All the Independent Directors of the Bank 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 had assessed the confirmations submitted by the Independent Directors and 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 Nomination & Remuneration Committee. 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/Board.

Directors' Report (Contd.)

16. Policy on Directors' appointment, remuneration and other details

Pursuant to the provisions of Section 178 of the Act, the Bank has formulated and adopted the Policy for Selection and Appointment of Directors available on the website of the Bank **Click here** and Remuneration & Benefits Policy, available on the website of the Bank **Click here**.

The said policies include 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 and Disclosure Requirements) Regulations, 2015.

No amendments were made to the policy for Selection and Appointment of Directors and Remuneration & Benefits Policy during FY 2025-26.

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, 2026, 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, 2026 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 Act 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.

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:

Disclosure in Board's report as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1 The ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for the financial year

S. No.	Name of the Director & Designation	Ratio
1	Mr. Anil Kumar Sharma, Part-time Chairman & Independent Director	4.20:1
2	Dr. Gulshan Rai, Independent Director	2.63:1
3	Ms Geeta Dutta Goel, Independent Director	2.63:1
4	Mr Navin Puri, Independent Director	2.63:1
5	Mr Ramesh Rangan, Independent Director	2.63:1
6	Prof Samir Kumar Barua, Independent Director	2.63:1
7	Mr. K S Sampath, Independent Director	3.94:1
8	Mr. Ramkumar Krishnaswamy, Independent Director	2.63:1

Directors' Report (Contd.)

S. No.	Name of the Director & Designation	Ratio
9	Mr. N R Narayanan, Independent Director	2.63:1
10	Mr. P N Vasudevan, MD& CEO	69.33:1*
11	Mr. Balaji Nuthalapadi, Executive Director (Whole-Time Director)	63.05:1*

Note: The remuneration to the Independent Director does not include the sitting fee. The Whole-Time Directors of the Bank are not paid any sitting fee.

**RBI approved fixed remuneration has been considered in computing the ratio of remuneration for the Executive Directors.*

2 **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 FY 2025-2026.

CEO Salary Increase – 6%

WTD Salary Increase – NIL

Chief Financial Officer Salary Increase – 17%

Company Secretary Salary Increase – 18%

- MD & WTD remuneration includes Basic, HRA, Flexi Allowance, PF, Gratuity, and Perquisites (GMC, GPA and club membership for MD only), as per RBI guidelines.
- CFO & Company Secretary remuneration includes Basic, HRA, Flexi Allowance and PF only; excludes Gratuity and Perquisites.

3 **The percentage increase in the median remuneration of employees in the financial year –** 7%

4 **The number of permanent employees on the rolls of the Bank (as on March 31, 2026) –** 28,058

5 **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration –**

The average percentile increase in salaries of employees, other than managerial personnel, during the FY 2025–2026 was 6%, while for KMP, the increase ranged from 6% to 18%.

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.

6 **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 Act 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@equitas.bank.in

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 Nineteen (19) complaints under the Whistle Blower Policy of the Bank. The functioning of the mechanism is reviewed by the Audit Committee on a quarterly basis. No personnel of the Bank have been denied access to the Audit Committee.

Directors' Report (Contd.)

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 (ASA), Chartered Accountants (Firm Registration No: 009571N/N500006) as one of the Joint Statutory Auditors for the period from FY 2023-24 to FY 2025-26. Further, the Members of the Bank at the Seventh AGM of the Bank held on August 29, 2023 approved the appointment of ASA as one of the Joint Statutory Auditors of the Bank for a period of three years from the conclusion of the aforesaid AGM till the conclusion of the Tenth AGM. The appointment was approved by RBI for FY 2023-24, 2024-25, 2025-26 vide its letters dated July 07, 2023, May 22, 2024 and July 11, 2025 respectively. The tenure of ASA shall end at the conclusion of the ensuing Tenth AGM of the Bank.

Further, the Board of Directors of the Bank at its meeting held on April 24, 2024 on the recommendation of the Audit Committee had appointed M/s. Suri & Co., Chartered Accountants (Firm Registration Number: 004283S/016670) as one of the Joint Statutory Auditors for the period from FY 2024-25 to FY 2026-27 which was approved by the Members at the Eighth AGM held on September 10, 2024. The appointment was approved by RBI for FY 2024-25, 2025-26 & 2026-27 vide its letters dated May 22, 2024, July 11, 2025 & May 13, 2026. 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. Suri & Co., during FY 2025-26 and their independence by taking note of the eligibility letters received from the Auditor stating that they continue to satisfy the criteria provided in Section 141 of the Act and RBI Regulations and their continuance, if approved, will be in accordance with the conditions prescribed under the Act and Rules 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 April 30, 2026 had considered the recommendation of Audit Committee and approved the re-appointment of M/s. Suri & Co., as one of the Joint Statutory Auditors for the FY 2026-27 as they continue to satisfy the eligibility norms as per the RBI guidelines.

The Board of Directors, as per the recommendations of the Audit Committee of the Bank, recommended to the RBI, appointment of Joint Statutory Auditors consequent to the completion of the term of ASA at the conclusion of the ensuing Tenth AGM of the Bank. Accordingly, RBI vide its letter dated May 13, 2026 accorded its approval for the appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, and the continuation of M/s. Suri & Co., as Joint Statutory Auditors of the Bank for FY 2026–27, for their first and third terms, respectively.

The communications between the Joint Statutory Auditors (JSA) and Those Charged with Governance (TCWG), i.e., the Board of Directors as determined by the JSA, were carried out in accordance with the requirements prescribed by the National Financial Reporting Authority (NFRA) vide its Circular dated 07 January 2026.

The JSA regularly apprised the Audit Committee and the Board of significant audit matters, audit findings, and matters required to be communicated under the applicable auditing and regulatory standards. The Auditors' Report was an unmodified one with no material observation, requiring any explanation or comment from the Board.

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 2025-26.

Directors' Report (Contd.)

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 07, 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 the website of the Bank **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	95,20,405
Number of options forfeited / lapsed during the year	52,77,149
Number of options vested during the year	79,33,776
Number of options exercised during the year	11,80,639
Number of shares arising as a result of exercise of options	11,80,639
Money realized by exercise of options (INR)	5,69,96,191
Loan repaid by the Trust during the year from exercise price received	NA
Option Granted but not vested	1,08,46,942
Options Vested but not exercised	2,00,06,076
Options Available for Grant	3,45,76,898
Variation of terms of options	NIL
Exercise price	The Nomination & Remuneration Committee approves the grant of Options to eligible employees from time to time. The grant price will be based on the closing price of the stock on the day prior to the grant day, in the Stock Exchange where the volume of trade has been the highest.
Number of options in force	3,08,53,018

Directors' Report (Contd.)

A) Employee wise details of the Options granted to 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	7,85,630	₹67.51	8.25
2	Mr. Balaji Nuthalapadi	Executive Director	15,87,475	₹66.97	16.67
3	Mr. Sridharan N	CFO	2,43,120	₹67.51	2.55
4	Mr. Ramanathan N	Company Secretary	57,460	₹67.51	0.60

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 the Employee	Designation	No. of Options granted	Exercise price	% of Options granted
NIL					

C. identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) 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 2025-26 to FY 2029-30 which was approved by the Members of the Bank at the Ninth AGM held on September 10, 2025.

The Secretarial Auditor has confirmed that they are duly subjected to the peer review process of the Institute of Company Secretaries of India (ICSI) and possess a valid peer review certificate issued by the Peer Review Board of ICSI.

24. Further information as per Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

(A) Conservation of energy

During FY 2025-26, the Bank had no activity relating to conservation of energy.

Directors' Report (Contd.)

(B) Technology absorption

During FY 2025-26, the bank had taken the following initiatives on technology absorption:

(i) The efforts made towards technology absorption

The Bank has undertaken focused initiatives to strengthen technology absorption capabilities, particularly in automation and in-house development:

- Successfully delivered 43 out of 62 Automation Project Change Requests (CRs) internally, achieving a 70% internal execution rate, demonstrating enhanced in-house technical capability and reduced dependency on external vendors.
- Developed and deployed in-house BOT (Robotic Process Automation) solutions, including design, development and testing, thereby building sustainable internal expertise in automation technologies.
- Optimized resource deployment through restructuring of the automation team, improving productivity and efficiency of technology implementation initiatives.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Achieved savings of ₹1.02 Crores through in-house BOT development, covering 1,284 person-days of effort. Realized additional savings of approximately ₹30.80 Lakhs during FY 2025–26 through resource optimization, including reduction in team size from 7 to 4 members (effective July 2025), with monthly savings of ₹3.42 Lakhs. Automation has significantly reduced manual effort, improved turnaround times and enhanced process accuracy. BOT production executions (including FY 2025–26 deliveries and ongoing operations) have generated substantial value, contributing to estimated cost savings of approximately ₹10.23 Crores, based on the lowest manual Average Handling Time (AHT). Increased in-house execution and BOT development capabilities have reduced reliance on external vendors and third-party service providers.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported; **Not Applicable**

(b) the year of import; **Not Applicable**

(c) whether the technology been fully absorbed; **Not Applicable**

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; - **Not Applicable** and

(iv) the expenditure incurred on Research and Development- Not Applicable

(C) Foreign exchange earnings and Outgo-

During FY 2025-26, the total foreign exchange earned by the Bank was ₹40.64 lakhs and the total foreign exchange outgo of the Bank during the year was ₹ 307.92 lakhs.

25. Particulars of contracts or arrangements with related Parties

All contracts / arrangements / transactions entered by the Bank during FY 2025-26 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 at **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.

Directors' Report (Contd.)

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 commensurate with the nature and size of operations of the Bank. The Bank also reviews the adequacy and effectiveness of its 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). On October 07, 2025, the Reserve Bank of India (RBI) issued Draft directions titled "Draft Reserve Bank of India (Scheduled Commercial Banks & All India Financial Institutions - Asset Classification, Provisioning and Income Recognition) Directions, 2025. Subsequently, on April 27, 2026, the RBI finalized guidelines introducing a forward-looking Expected Credit Loss (ECL) framework for asset classification, effective April 01, 2027.

However, Small Finance Banks are currently excluded from the applicability of these directions. Currently the implementation of Ind AS for Small Finance 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 ECL Framework.

29. Loans / Guarantees / Investments

Pursuant to the exemptions provided under Section 186 (11) of the Act, the provisions of Section 186 of the Act 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 2025-26 are as follows:

a. Number of complaints filed during the financial year: 16

b. Number of complaints disposed of during the financial year: 16

c. Number of complaints pending as on end of the financial year: 0

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.

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, 2026, out of the Bank's total equity paid up share capital comprising of 1,14,10,43,060

Directors' Report (Contd.)

Equity Shares, only 115 equity shares are held in physical form and the remaining shares are held 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 Act 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 the 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 the 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 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

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 of
Equitas Small Finance Bank Limited

Vasudevan P N
MD & CEO
DIN: 01550885

Anil Kumar Sharma
Part-time Chairman &
Independent Director
DIN:08537123

Place : Chennai
Date : June 24, 2026

Directors' Report (Contd.)

Annexure A

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 is available on the Bank's website at the following link **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 per the Policy. The CSR Committee and the Board oversees the projects undertaken by the Bank's implementing agencies viz., EDIT and EHF. 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. Anil Kumar Sharma	Independent Director	2	2
3	Prof. Samir Kumar Barua	Independent Director	2	2
4	Mr. Ramkumar Krishnaswamy	Independent Director	2	0
5	Mr. Vasudevan P N	MD & CEO	2	2

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 the following link

Particulars	Web-link
Composition of CSR Committee	**Click here**
CSR Policy	**Click here**
CSR Projects	**Click 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.

An impact assessment was conducted through a third-party agency on one of our project (Sringeri Sharada Equitas Hospital) in accordance with sub-rule (3) (a) of Rule 8 of CSR Rules. The complete assessment reports are available on the Bank's website at **Click here**

5. (a) Average net profit of the company as per sub-section (5) of section 135 – ₹ 73,334.87 Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135 – ₹ 1,466.70 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - Nil

(d) Amount required to be set-off for the financial year, if any - Nil

(e) Total CSR obligation for the financial year [5(b)+5(c)-5(d)] – ₹ 1,466.70 Lakhs

6. (a) Amount spent on CSR Projects (~~both Ongoing Project and~~ other than Ongoing Project) – ₹ 1,467.00 Lakhs

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment – Nil

Directors' Report (Contd.)

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 1,467.00 Lakhs.

(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
₹ 1,467.00	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	1,466.70
(ii)	Total amount spent for the Financial Year	1,467.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.30
(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)]	0.30

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 24-25	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY 23-24	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY 22-23	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 39

Directors' Report (Contd.)

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)	Pin code of the property or asset(s) (3)	Date of creation (4)	Amount of CSR spent (in ₹ Lakhs) (5)	Details of entity/ Authority/ beneficiary of the registered owner (6)		
					CSR Registration Number, if applicable	Name	Registered address
					CSR00002381	Equitas Healthcare Foundation	No.610&610 A, 6th floor, Phase II, 769, Spencer plaza, Anna salai, mount road, Chennai-600 002
				(Beneficiary)			
1	Medical equipment	NA	April 1, 2025 to March 31, 2026	11.12	NA	Sringeri Sharada Equitas Cancer cum Multi-speciality Hospital	Gowrivakkam, Chennai
2	Plant & Machinery	NA	April 1, 2025 to March 31, 2026	1.00			
3	Computers and Accessories	NA	April 1, 2025 to March 31, 2026	12.07			
4	Office Equipment	NA	April 1, 2025 to March 31, 2026	1.68			
5	Electrical fittings	NA	April 1, 2025 to March 31, 2026	7.27			
6	Surgical Instruments	NA	April 1, 2025 to March 31, 2026	3.32			
7	Furniture & Fixtures	NA	April 1, 2025 to March 31, 2026	12.41			
					CSR00001339	Equitas Development Initiatives Trust	No.610&610 A, 6th floor, Phase II, 769, Spencer plaza, Anna salai, mount road, Chennai-600 002

Directors' Report (Contd.)

Sl. No. (1)	Short particulars of the property or asset(s) [including complete address and location of the property] (2)	Pin code of the property or asset(s) (3)	Date of creation (4)	Amount of CSR spent (in ₹ Lakhs) (5)	Details of entity/ Authority/ beneficiary of the registered owner (6)		
					CSR Registration Number, if applicable	Name	Registered address
				(Beneficiary)			
8	Computer	NA	April 1, 2025 to March 31, 2026	10.69	NA	Equitas Gurukul Matriculation Higher Secondary School	Oil Mill Road, Ariyamangalam, Trichy -620010
9	Computer	NA	April 1, 2025 to March 31, 2026	5.82			Vinobaji Nagar, Natham Road, Dindigul, 624003
10	Computer	NA	April 1, 2025 to March 31, 2026	3.90			Survey No: 744/3B Phase-II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore 641021
11	Computer	NA	April 1, 2025 to March 31, 2026	4.15			Survey No: 48, 5A Block No: 14, Kandampatti Village, Salem East -636004
12	Computer	NA	April 1, 2025 to March 31, 2026	8.29			Survey No: 160/4, 160/7, MGR Nagar, Near Karupannasami Kovil, Vengamedu,Karur -639006
13	Computer	NA	April 1, 2025 to March 31, 2026	3.75			T S No: 943, Beach Road, Near Govt Periyar Arts College, Devanampattinam, Cuddalore -607001
14	Computer	NA	April 1, 2025 to March 31, 2026	5.54			Survey No: 1748/4 and 1748/5, Ellanga Nagar , Kumbakonam -612001
15	Furniture	NA	April 1, 2025 to March 31, 2026	2.82			Oil Mill Road, Ariyamangalam,Trichy -620010
16	Furniture	NA	April 1, 2025 to March 31, 2026	1.42			Vinobaji Nagar, Natham Road, Dindigul, 624003

Directors' Report (Contd.)

Sl. No. (1)	Short particulars of the property or asset(s) [including complete address and location of the property] (2)	Pin code of the property or asset(s) (3)	Date of creation (4)	Amount of CSR spent (in ₹ Lakhs) (5)	Details of entity/ Authority/ beneficiary of the registered owner (6)		
					CSR Registration Number, if applicable	Name	Registered address
17	Furniture	NA	April 1, 2025 to March 31, 2026	1.64	NA	Equitas Gurukul Matriculation Higher Secondary School	Survey No: 744/3B Phase-II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore 641021.
18	Furniture	NA	April 1, 2025 to March 31, 2026	0.87			Survey No: 48, 5A Block No: 14, Kandampatti Village, Salem East -636004
19	Furniture	NA	April 1, 2025 to March 31, 2026	4.92			Survey No: 160/4, 160/7, MGR Nagar, Near Karupannasami Kovil, Vengamedu,Karur -639006
20	Furniture	NA	April 1, 2025 to March 31, 2026	1.79			T S No: 943, Beach Road, Near Govt Periyar Arts College, Devanampattinam, Cuddalore -607001
21	Furniture	NA	April 1, 2025 to March 31, 2026	4.07			Survey No: 1748/4 and 1748/5, Ellanga Nagar , Kumbakonam -612001
22	Electrical Fittings	NA	April 1, 2025 to March 31, 2026	0.05			Vinobaji Nagar, Natham Road, Dindigul, 624003
23	Electrical Fittings	NA	April 1, 2025 to March 31, 2026	1.43			Survey No: 744/3B Phase-II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore 641021
24	Electrical Fittings	NA	April 1, 2025 to March 31, 2026	1.12			Survey No: 1748/4 and 1748/5, Ellanga Nagar , Kumbakonam -612001
25	Musical Instruments	NA	April 1, 2025 to March 31, 2026	1.06			Survey No: 744/3B Phase-II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore 641021
26	Office Equipment	NA	April 1, 2025 to March 31, 2026	1.95			Oil Mill Road, Ariyamangalam,Trichy -620010

Directors' Report (Contd.)

Sl. No. (1)	Short particulars of the property or asset(s) [including complete address and location of the property] (2)	Pin code of the property or asset(s) (3)	Date of creation (4)	Amount of CSR spent (in ₹ Lakhs) (5)	Details of entity/ Authority/ beneficiary of the registered owner (6)		
					CSR Registration Number, if applicable	Name	Registered address
27	Office Equipment	NA	April 1, 2025 to March 31, 2026	3.44	NA	Equitas Gurukul Matriculation Higher Secondary School	Vinobaji Nagar, Natham Road, Dindigul, 624003
28	Office Equipment	NA	April 1, 2025 to March 31, 2026	1.92			Survey No: 744/3B Phase-II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore 641021.
29	Office Equipment	NA	April 1, 2025 to March 31, 2026	2.30			Survey No: 48, 5A Block No: 14, Kandampatti Village, Salem East -636004
30	Office Equipment	NA	April 1, 2025 to March 31, 2026	2.42			Survey No: 160/4, 160/7, MGR Nagar, Near Karupannasami Kovil, Vengamedu, Karur -639006
31	Office Equipment	NA	April 1, 2025 to March 31, 2026	2.02			T S No: 943, Beach Road, Near Govt Periyar Arts College, Devanampattinam, Cuddalore -607001
32	Office Equipment	NA	April 1, 2025 to March 31, 2026	2.70			Survey No: 1748/4 and 1748/5, Ellanga Nagar , Kumbakonam -612001
33	Land Address: Kandampatty Bypass, Pallapatti village, Salem	636004	April 1, 2025 to March 31, 2026	642.37			Survey No: 48, 5A Block No: 14, Kandampatti Village, Salem East -636004
34	Improvement on Freehold Properties Address of the property: Oil Mill Road, Ariyamangalam, Trichy	620010	April 1, 2025 to March 31, 2026	4.91			Oil Mill Road, Ariyamangalam,Trichy -620010
35	Improvement on Freehold Properties Address of the property: Vinobaji Nagar, Natham Road, Dindigul	624003	April 1, 2025 to March 31, 2026	7.99			Vinobaji Nagar, Natham Road, Dindigul, 624003

Directors' Report (Contd.)

Sl. No. (1)	Short particulars of the property or asset(s) [including complete address and location of the property] (2)	Pin code of the property or asset(s) (3)	Date of creation (4)	Amount of CSR spent (in ₹ Lakhs) (5)	Details of entity/ Authority/ beneficiary of the registered owner (6)		
					CSR Registration Number, if applicable	Name	Registered address
36	Improvement on Freehold Properties Address of the property Survey No: 744/3B Phase-II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore	641021	April 1, 2025 to March 31, 2026	10.52	NA	Equitas Gurukul Matriculation Higher Secondary School	Survey No: 744/3B Phase-II CTO Colony, Madhukarai Main Road, Sundarapuram, Coimbatore 641021.
37	Improvement on Freehold Properties Address of the property: Survey No: 48, 5A Block No: 14, Kandampatti Village, Salem East	636004	April 1, 2025 to March 31, 2026	19.92			Survey No: 48, 5A Block No: 14, Kandampatti Village, Salem East -636004
38	Improvement on Freehold Properties Address of the property: T S No: 943, Beach Road, Near Govt Periyar Arts College, Devanampattinam, Cuddalore	607001	April 1, 2025 to March 31, 2026	6.43			T S No: 943, Beach Road, Near Govt Periyar Arts College, Devanampattinam, Cuddalore -607001
39	Improvement on Freehold Properties Address of the property: Survey No: 1748/4 and 1748/5, Ellanga Nagar , Kumbakonam	612001	April 1, 2025 to March 31, 2026	16.51			Survey No: 1748/4 and 1748/5, Ellanga Nagar , Kumbakonam -612001

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5) – Not Applicable

Vasudevan P N
MD & CEO
DIN:01550885

Geeta Dutta Goel
Chairperson - CSR Committee
DIN: 02277155

Place: Chennai
Date: June 24, 2026

Annexure to CSR Report – FY 2025-26

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 CSR initiatives of Equitas Small Finance Bank 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 Limited.

As per its CSR Policy, the Bank contributes up to 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-income families. 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 training to 7,27,019 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 preparation of pickles and jams. These structured, week-long training program aims to equip women with practical skills that can support an additional income generation.

This skill training initiative has created a significant socio-economic impact, through which the trained members earn a supplemental monthly income ranging from ₹ 1,500 to ₹ 5,000 by utilizing their newly acquired skills.

Equitas also has helped these trained women entrepreneurs to market their products by organizing exhibitions. In 2025-26 the CSR Team has organized 62 such exhibitions and has helped 994 women entrepreneurs to exhibit and sell their products.

C. Equitas Birds Nest - Pavement Dwellers Rehabilitation Program

This program was commenced in 2010 for rehabilitating those families living on pavements, bus shelters, commercial areas in Chennai. Under this program, the Trust pays the rental advance on their behalf as well as the monthly rent for 6 months during which they are being helped to get basic entitlements like Ration Card, Aadhaar Card, CMCH Insurance Card as well as taught livelihood skills and being helped to find suitable employment. Thus the rehabilitated families attain self-sustenance status through the comprehensive approach adopted by Equitas. Many of the rehabilitated families have received Voter ID cards, Insurance card, Aadhar card and have applied for ration cards for the first time in their lives.

In FY 2025-26, under the Equitas Birds Nest Program a total of 367 families have been rehabilitated in Chennai, Pune, Nagpur, and Nashik. Thus the cumulative number of rehabilitated homeless families provided with safe shelter since inception is 6517 families.

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 has been observed in these loans till date.

Directors' Report (Contd.)

D. Placement Initiative

In another proactive step, together with Rotary Clubs, NGOs and Education Institutions, Equitas has been organizing job fairs and has facilitated employment opportunities for the unemployed youth from low-income communities. Till date, gainful employment to 3,58,491 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 is a major pain point among the low income families.

1. **Health Education for Healthy living:** A team of 500 women skill trainers have been trained with the Technical support from "Freedom from Hunger" to impart Health Education to Members which would help in early detection of non-communicable diseases. Cumulatively Health Education has been imparted to more than 16 lakh women.

2. **Medical Camps:** Through tie up with more than 1700 hospitals spread across 10 states, Equitas organizes around 100 medical camps every month, providing free consultation to more than 15,000 people. Through these health camps so far cumulatively 83,83,752 people have been given free consultation.

3. **Health Camps in Vehicle Finance Branches:** Equitas organizes health camps in transport Nagar to screen truck drivers & cleaners for general health, eye check-up etc., and also provides awareness about disease like AIDS. Through the camps organized by Equitas, so far 55127 persons have benefitted.

4. **Hospital Project:** Sringeri Sharada Equitas Hospital, established by Equitas through Equitas Healthcare Foundation has been operational since November 2023. Now in its third year of operations, the hospital has offered 46,416 outpatient consultations, had 11,856 admissions for treatment, performed 2,114 surgeries, completed 8,368 chemotherapy sessions and provided radiation therapy to 686 patients. 50% of patients under chemotherapy, 60% of patients under radiation therapy and 30% of surgery patients currently receive free cancer treatment through the government schemes. The hospital was recognised as Best in Oncology (<100 beds) by CII Tamil Nadu at their annual Medclave, as Emerging Hospital of the Year (North Zone) by the Association of Healthcare Providers TN at their annual conference and successfully completed assessment for full NABH accreditation. As part of its medical outreach, the hospital has conducted 64 free health and cancer screening camps to date which have benefitted over 5,400 people. The hospital also conducts regular oncology OPDs at hospitals in Ambattur, Nanganallur, and Puducherry.

5. **Secondary Health Care & Health Help line:** Equitas has tie 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 75,997 members.

6. **Health helpline:** Low-Income 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 tie up hospitals for getting treatments at a discounted price.

COMPOSITION OF BOARD OF TRUSTEES OF THE TRUSTS AS ON MARCH 31, 2026

Equitas Development Initiatives Trust (EDIT)	Equitas Healthcare Foundation (EHF)
1. Dr C K Gariyali, IAS (Retd.)	1. Mr Rangachary N, IRS (Retd.)
2. Ms Jayashree Nambiar, Educationist	2. Dr C K Gariyali, IAS (Retd.)
3. Ms Sabita 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

Directors' Report (Contd.)

Annexure B

Certificate on compliance of Equitas Small Finance Bank Limited Employees Stock Option Scheme, 2019 with applicable regulatory requirements

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 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, for a term of five financial years from 2025-2026 to 2029-2030, vide a resolution passed at the 9th Annual General Meeting of the Members held on 10.09.2025.

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 financial year ended 31st March, 2026.

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)/ through Postal Ballot.

We have read the minutes of the meetings of the Nomination and Remuneration Committee held during the year, noting in terms whereof, **95,20,406** options were granted to the employees. We have also read the minutes of the meetings of the Stakeholders Relationship Committee along with the Memorandum of allotment of shares under ESOP and noted that **11,80,639** equity shares of face value of ₹ 10/- each were allotted during the financial year ended 31st March, 2026.

We have also examined the relevant applicable provisions of the Regulations, Companies Act, 2013 and the Rules made there under and relevant Accounting Standards as prescribed by the Central Government and such other documents as were considered necessary for the purpose of issuing 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) and /or through Postal Ballot 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

CS S Rajendran
Managing Partner
FCS No.: 3727 CP No.: 14055
FRN: L2017TN002700
P/R: 7675/2026
UDIN: F003727H000361865

Place: Chennai
Date: 14.05.2026

Directors' Report (Contd.)

Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026

[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, 2026 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 books, forms and returns filed, and other records maintained by the Bank for the financial year ended on 31st March, 2026, 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 (Buy-back 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, 2025 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 Banks;

b) Maternity Benefit Act, 1961/ Code on Social Security, 2020;

c) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

d) The Food Safety and Standards Act, 2006;

e) The Contract Labour (Regulation and Abolition) Act, 1970/Occupational Safety, Health and Working Conditions Code, 2020.

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 meeting of Board of Directors and General Meetings.

During the period under review, the Bank 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 Bank 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 no changes in the composition of Board of Directors of the Bank, 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 and Secretarial Standards on meetings of the Board of Directors. The Bank convened meetings of its Committees and Board in compliance with the requirements of the Act and provided the facility for those Directors / members desirous of attending the meeting through Video Conferencing mode.

During the period under review, all resolutions were passed with requisite majority at the Annual General Meeting and there were resolutions passed through postal ballot. No Extra-Ordinary General Meeting was convened during the period under review.

We further report that there are adequate systems and processes in the Bank, 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 Bank has not undertaken any specific events / actions that can have a major bearing on the Bank's affairs compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., other than the Issuance of 50,000 Rated, Listed, Unsecured, Subordinated, Redeemable, Transferable, Fully Paid Up Lower Tier II Bonds in the nature of Non-Convertible Debentures for Rupees Five Hundred Crores which includes a green shoe option of up to Rupees Two Hundred and Fifty Crores.

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.

For **Shanmugam Rajendran & Associates LLP**
Company Secretaries

S. Rajendran
Managing Partner
FCS: 3727| CP. No. 14055
UDIN: F003727H000079396
P/R No.: 7675/2026

Place: Chennai
Date: 13th April 2026

Directors' Report (Contd.)

ANNEXURE 'A' TO SECRETARIAL AUDIT REPORT OF EQUITAS SMALL FINANCE BANK LIMITED FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026 DATED 13th April, 2026

To:
The Members of
Equitas Small Finance Bank Limited,
4th - Floor, Phase II, Spencer Plaza,
No.769, Mount Road,
Anna Salai,
Chennai – 600 002

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 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: 13th April 2026

For Shanmugam Rajendran & Associates LLP
Company Secretaries

S. Rajendran
Managing Partner
FCS: 3727| CP. No. 14055
UDIN: F003727H000079396
P/R No.: 7675/2026

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.

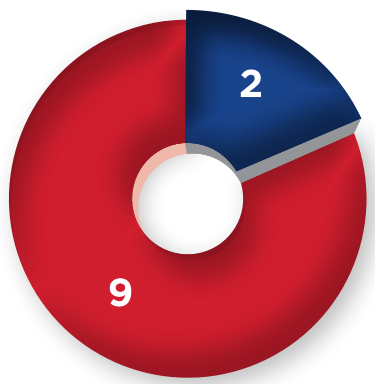
Transparency

Accountability

Fairness

BOARD COMPOSITION

Composition and Category of Board of Directors



Executive Directors

Non-Executive Independent Directors

As on March 31, 2026, 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 Financial Year 2025-26, the Board met 12 times viz., 30 April, 2025, 30 May, 2025, 27 June, 2025, 21 July, 2025, 08 August, 2025, 28 August, 2025, 03 October, 2025, 31 October, 2025, 23 December, 2025, 29 January, 2026, 19 February, 2026 and 25 March, 2026 and the gap between any two meetings has been less than 120 days. The Bank has been in compliance 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.

Other Directorships and Committee Memberships / Chairmanships as on March 31, 2026

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 March 31, 2026.

The details of directorships and Committee positions held in other companies during Financial Year ended March 31, 2026 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 2025-26 (No. of Board Meetings eligible to attend)	Attendance at the last AGM held on 10 September, 2025	No. of Directorships in other companies$		Number of Committee positions in other companies$$	
				Membership	Chairmanship	Membership	Chairmanship
1.	Mr. Anil Kumar Sharma	12 (12)	Yes	1	-	-	1
2.	Mr. Navin Puri	12 (12)	No	3	-	1	-
3.	Mr. Ramesh Rangan	12 (12)	Yes	2	-	2	-
4.	Prof. Samir Kumar Barua	12 (12)	Yes	1	-	-	-
5.	Ms. Geeta Dutta Goel	11 (12)	Yes	3	-	4	-
6.	Dr. Gulshan Rai	12 (12)	Yes	2	-	-	-
7.	Mr. K S Sampath	12 (12)	Yes	-	-	-	-
8.	Mr. N R Narayanan	9 (12)	Yes	1	-	2	-
9.	Mr. Ramkumar Krishnaswamy	6 (12)	No	-	-	-	-
10.	Mr. P N Vasudevan	12 (12)	Yes	-	-	-	-
11.	Mr. Balaji Nuthalapadi	11 (12)	Yes	-	-	-	-

$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 March 31, 2026

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	1. Independent Director
		2. Niva Bupa Health Insurance Company Limited	2. Independent Director
4.	Mr. N R Narayanan	Aditya Birla Housing Finance Limited (only Debt listed)	Independent Director

There is no relationship between Directors *inter-se*. Mr. Anil Kumar Sharma, Part-time Chairman and Independent Director of the Bank holds 1,00,107 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 March 31, 2026. 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 - None of the Independent Directors had resigned from the Bank during the Financial Year 2025-26.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During Financial Year 2025-26, the Independent Directors had a separate meeting on February 21, 2026 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 after their induction. The details of the familiarization programme imparted to Independent Directors during Financial Year 2025-26 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**

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		X		X	X		X				
Agriculture and rural economy	X	X	X								
Banking	X	X	X	X			X	X	X	X	X
Co-operation							X				
Economics	X	X		X	X		X				
Finance		X	X	X	X		X			X	
Law										X	
Small-scale industry	X		X								
Information Technology						X					
Payment & Settlement Systems	X					X					
Human Resources		X	X		X				X		
Risk Management	X		X	X			X	X			
Business Management			X	X	X			X			
Any other special knowledge / practical experience			X*	X*	X*		X*				

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.

- *Guided instituting a formal process of Corporate Governance and Risk Management by way of integrated templates for 4 PSBs.*
- *Guided preparation of concurrent audit manual for 2 PSBs besides audits of Domestic and Forex Treasuries.*
- *Holding necessary certification from IICA for IDs.*
- *Training programmes at IDRBT and CAFRAL wings of RBI on cyber attacks, digital forensics etc with certification and also IICA for IDs.*
- *Specialisation on Accounting standards and Auditing standards issued by ICAI.*

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 to the Board is comprehensive and timely.

COMMITTEES OF THE BOARD

As on March 31, 2026, the Board had fifteen (15) Committees of the Board, including Committees 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
14. Committee for Review of High Value Stressed Assets and
15. Capital Raising Committee

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 and that of the Board are placed before the Board at subsequent meetings for noting.

AUDIT COMMITTEE

Composition

As on March 31, 2026, the Audit Committee comprised of five (5) Independent Directors as below:

Chairman
Mr. K S Sampath

Member
Mr. Ramesh Rangan

Member
Mr. Navin Puri

Member
Dr. Gulshan Rai

Member
Mr. N R Narayanan

Meetings & Attendance

The Committee held twenty-one (21) Meetings during the year on 29 April, 2025, 03 May, 2025, 27 May, 2025, 23 June, 2025, 08 July, 2025, 07 August, 2025, 26 August, 2025, 29 August, 2025, 23 September, 2025, 03 October, 2025, 30 October, 2025, 05 November, 2025, 21 November, 2025, 02 December, 2025, 09 January, 2026, 21 January, 2026, 28 January, 2026, 12 February, 2026, 19 February, 2026, 26 March, 2026 and 30 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. K S Sampath, Chairman	21	21
Mr. Ramesh Rangan	21	21
Mr. Navin Puri	21	19
Dr. Gulshan Rai	21	21
Mr. N R Narayanan	21	17

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 and 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;
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 March 31, 2026, the Risk Management Committee of the Board comprised of four (4) Independent Directors, MD & CEO and ED as below:

Chairman
Mr. Ramesh Rangan

Member
Mr. Anil Kumar Sharma

Member
Prof. Samir Kumar Barua

Member
Mr. K S Sampath

Member
Mr. P N Vasudevan (MD & CEO)

Member
Mr. Balaji Nuthalapadi (ED)

Meetings & Attendance

The Committee held six (6) Meetings during the year on 13 June, 2025, 24 September, 2025, 22 December, 2025, 12 January, 2026, 20 January, 2026 and 23 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Ramesh Rangan, Chairman	6	6
Mr. Anil Kumar Sharma	6	6
Prof. Samir Kumar Barua	6	6
Mr. K S Sampath	6	6
Mr. P N Vasudevan, MD & CEO	6	5
Mr. Balaji Nuthalapadi, ED*	6	4

**Appointed as a Member of the Committee with effect from 01 May, 2025.*

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) Measures 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.

NOMINATION & REMUNERATION COMMITTEE

Composition

As on March 31, 2026, the Nomination & Remuneration Committee comprised of five (5) Independent Directors as below:

Chairman
Mr. Ramkumar Krishnaswamy

Member
Mr. Anil Kumar Sharma

Member
Mr. Navin Puri

Member
Prof. Samir Kumar Barua

Member
Ms. Geeta Dutta Goel

Meetings & Attendance

The Committee held nine (9) Meetings during the year on 29 April, 2025, 30 April, 2025, 17 June, 2025, 01 August, 2025, 26 September, 2025, 03 October, 2025, 31 October, 2025, 05 December, 2025 and 18 February, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Ramkumar Krishnaswamy, Chairman	9	9
Mr. Anil Kumar Sharma	9	9
Mr. Navin Puri	9	9
Prof. Samir Kumar Barua	9	9
Ms. Geeta Dutta Goel	9	9

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;

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 Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025 and other employees, 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 March 31, 2026 are as under:

Name	Remuneration (in ₹)	Sitting Fees (in ₹)	
		Board	Committee#
Mr. Anil Kumar Sharma	16,00,000	8,40,000	16,20,000
Mr. Navin Puri	10,00,000	7,20,000	22,80,000
Mr. Ramesh Rangan	10,00,000	7,20,000	27,80,000
Prof. Samir Kumar Barua	10,00,000	7,20,000	16,90,000
Ms. Geeta Dutta Goel	10,00,000	6,60,000	13,10,000
Dr. Gulshan Rai	10,00,000	7,20,000	16,40,000
Mr. K S Sampath	15,00,000	7,20,000	18,20,000
Mr. N R Narayanan	10,00,000	5,40,000	20,80,000
Mr. Ramkumar Krishnaswamy	10,00,000	3,60,000	6,50,000

#Includes sitting fee paid in respect of the Meeting of Independent Directors.

REMUNERATION PAID TO MANAGING DIRECTOR & CEO

Details of the remuneration paid to Mr. P N Vasudevan, Managing Director & Chief Executive Officer for the year ended March 31, 2026 are as follows:

S. No.	Nature of Payment	Amount (₹ in Lakhs)
1	Gross Salary (including Arrears)	307.74
2	Perquisites	12.51
3	Others-Employer's contribution to Provident Fund	12.67
	Total	**332.92**

REMUNERATION PAID TO EXECUTIVE DIRECTOR

Details of the remuneration paid to Mr. Balaji Nuthalapadi, Executive Director for the year ended March 31, 2026 are as follows:

S. No.	Nature of Payment	Amount (₹ in Lakhs)
1	Gross Salary	224.16
2	Perquisites	4.00
3	Others-Employer's contribution to Provident Fund	11.50
	Total	**239.66**

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 March 31, 2026, the Corporate Social Responsibility Committee comprised of four (4) Independent Directors and the MD & CEO as below:

Chairperson
Ms. Geeta Dutta Goel

Member
Mr. Anil Kumar Sharma

Member
Prof. Samir Kumar Barua

Member
Mr. Ramkumar Krishnaswamy

Member
Mr. P N Vasudevan (MD & CEO)

Meetings & Attendance

The Committee held two (2) Meetings during the year on 30 April, 2025 and 08 December, 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	2	2
Prof. Samir Kumar Barua	2	2
Mr. Ramkumar Krishnaswamy	2	0
Mr. P N Vasudevan, MD & CEO	2	2

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 March 31, 2026, the Stakeholders' Relationship Committee comprised of three (3) Independent Directors and the MD & CEO as below:

Chairman
Mr. Anil Kumar Sharma

Member
Mr. N R Narayanan

Member
Ms. Geeta Dutta Goel

Member
Mr. P N Vasudevan (MD & CEO)

Mr. N Ramanathan, Company Secretary is the Compliance Officer under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings & Attendance

The Committee held five (5) Meetings during the year on 30 May, 2025, 10 September, 2025, 27 November, 2025, 12 February, 2026 and 25 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Anil Kumar Sharma, Chairman	5	5
Ms. Geeta Dutta Goel	5	5
Mr. N R Narayanan	5	4
Mr. P N Vasudevan, MD & CEO	5	5

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) Resolving grievances of debenture holders related to payment of interest / principal and any other covenants.
7) 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
8) To carry out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act, 2013 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 2025-26 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
1	1	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 March 31, 2026, the Customer Service Committee comprised of four (4) Independent Directors and the ED as below:

Chairman
Mr. Navin Puri

Member
Mr. Ramesh Rangan

Member
Ms. Geeta Dutta Goel

Member
Mr. Ramkumar Krishnaswamy

Member
Mr. Balaji Nuthalapadi (ED)

Meetings & Attendance

The Committee held five (5) Meetings during the year on 18 June, 2025, 29 August, 2025, 17 December, 2025, 12 January, 2026 and 03 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Navin Puri, Chairman	5	5
Mr. Ramesh Rangan	5	5
Ms. Geeta Dutta Goel	5	4
Mr. Ramkumar Krishnaswamy	5	3
Mr. Balaji Nuthalapadi, ED*	5	4

**Appointed as a Member of the Committee with effect from 01 May, 2025.*

Report on Corporate Governance (Contd.)

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 March 31, 2026, the Business Committee comprised of five (5) Independent Directors and the MD & CEO as below:

- **Chairman** – Mr. Navin Puri
- **Member** – Mr. Anil Kumar Sharma
- **Member** – Mr. Ramesh Rangan
- **Member** – Ms. Geeta Dutta Goel
- **Member** – Mr. N R Narayanan
- **Member** – Mr. P N Vasudevan (MD & CEO)

Meetings & Attendance

The Committee held six (6) Meetings during the year on 25 April, 2025, 01 August, 2025, 30 October, 2025, 23 January, 2026, 26 February, 2026 and 07 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Navin Puri, Chairman	6	6
Mr. Anil Kumar Sharma	6	5
Mr. Ramesh Rangan	6	6
Ms. Geeta Dutta Goel	6	5
Mr. N R Narayanan	6	5
Mr. P N Vasudevan, MD & CEO	6	6

Report on Corporate Governance (Contd.)

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 March 31, 2026, the IT Strategy Committee comprised of three (3) Independent Directors, MD & CEO and ED as below:

- **Chairman** – Dr. Gulshan Rai
- **Member** – Mr. Anil Kumar Sharma
- **Member** – Mr. Navin Puri
- **Member** – Mr. P N Vasudevan (MD & CEO)
- **Member** – Mr. Balaji Nuthalapadi (ED)

Meetings & Attendance

The Committee held five (5) Meetings during the year on 19 June, 2025, 19 September, 2025, 23 October, 2025, 28 January, 2026 and 13 February, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Dr. Gulshan Rai, Chairman	5	5
Mr. Anil Kumar Sharma	5	5
Mr. Navin Puri	5	5
Mr. P N Vasudevan, MD & CEO	5	4
Mr. Balaji Nuthalapadi, ED*	5	5

**Appointed as a Member of the Committee with effect from 01 May, 2025.*

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.

CREDIT COMMITTEE

Composition

As on March 31, 2026, the Credit Committee comprised of three (3) Independent Directors and the MD & CEO as below:

Chairman: Mr. N R Narayanan

Member: Mr. Ramesh Rangan

Member: Prof. Samir Kumar Barua

Member: Mr. P N Vasudevan (MD & CEO)

Meetings & Attendance

The Committee held thirteen (13) Meetings during the period on 29 April, 2025, 23 May, 2025, 27 June, 2025, 02 August, 2025, 18 August, 2025, 26 September, 2025, 23 October, 2025, 20 November, 2025, 22 December, 2025, 28 January, 2026, 23 February, 2026, 17 March, 2026 and 25 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. N R Narayanan, Chairman	13	13
Mr. Ramesh Rangan	13	13
Prof. Samir Kumar Barua	13	13
Mr. P N Vasudevan, MD & CEO	13	13

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 March 31, 2026, the Policy Formulation Committee comprised of four (4) Independent Directors, MD & CEO and ED as below:

Chairman: Prof. Samir Kumar Barua

Member: Mr. Anil Kumar Sharma

Member: Mr. Ramesh Rangan

Member: Dr. Gulshan Rai

Member: Mr. P N Vasudevan (MD & CEO)

Member: Mr. Balaji Nuthalapadi (ED)

Meetings & Attendance

The Committee held five (5) meetings during the year on 18 June, 2025, 02 August, 2025, 23 October, 2025, 08 December, 2025 and 12 January, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Prof. Samir Kumar Barua, Chairman	5	5
Mr. Anil Kumar Sharma	5	5
Mr. Ramesh Rangan	5	5
Dr. Gulshan Rai	5	5
Mr. P N Vasudevan, MD & CEO	5	4
Mr. Balaji Nuthalapadi, ED*	5	5

**Appointed as a Member of the Committee with effect from 01 May, 2025.*

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 March 31, 2026, the Outsourcing Committee of the Board comprised of three (3) Independent Directors and the ED as below:

Chairman: Dr. Gulshan Rai

Member: Mr. Ramesh Rangan

Member: Mr. Navin Puri

Member: Mr. Balaji Nuthalapadi (ED)

Meetings & Attendance

The Committee held two (2) meetings during the year on 28 August, 2025 and 13 February, 2026.

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. Balaji Nuthalapadi, ED*	2	2

**Appointed as a Member of the Committee with effect from 01 May, 2025.*

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, 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

Composition

As on March 31, 2026, the Committee comprised of four (4) Independent Directors, MD & CEO and ED as below:

Chairman
Prof. Samir Kumar Barua

Member
Mr. N R Narayanan

Member
Ms. Geeta Dutta Goel

Member
Mr. P N Vasudevan (MD & CEO)

Member
Mr. K S Sampath

Member
Mr. Balaji Nuthalapadi (ED)

Meeting & Attendance

The Committee held four (4) Meetings during the year on 30 June, 2025, 24 September, 2025, 22 December, 2025 and 03 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Prof. Samir Kumar Barua, Chairman	4	4
Ms. Geeta Dutta Goel	4	4
Mr. K S Sampath	4	4
Mr. N R Narayanan	4	3
Mr. P N Vasudevan, MD & CEO	4	4
Mr. Balaji Nuthalapadi, ED*	4	1

** Appointed as a Member of the Committee with effect from 01 May, 2025.*

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.

Report on Corporate Governance (Contd.)

REVIEW COMMITTEE FOR IDENTIFICATION OF WILFUL DEFAULTERS

Composition

As on March 31, 2026, the Review Committee for Identification of Wilful Defaulters comprised of four (4) Independent Directors and MD & CEO as below:

Chairman
Mr. P N Vasudevan (MD & CEO)

Member
Mr. Ramesh Rangan

Member
Mr. K S Sampath

Member
Ms. Geeta Dutta Goel

Member
Mr. Ramkumar Krishnaswamy

Meetings & Attendance

The Committee held two (2) Meetings during the year on 27 May, 2025 and 23 March, 2026.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. P N Vasudevan, Chairman (MD & CEO)	2	2
Mr. Ramesh Rangan	2	2
Ms. Geeta Dutta Goel	2	2
Mr. K S Sampath	2	2
Mr. Ramkumar Krishnaswamy	2	2

Terms of reference

The Committee reviews the decisions of the Executive Committee for identification of Wilful defaulters / non-co-operative borrowers and finalise the same.

COMMITTEE FOR REVIEW OF HIGH VALUE STRESSED ASSETS

Composition

As on March 31, 2026, the Committee for Review of High Value Stressed Assets comprised of three (3) Independent Directors and MD & CEO as below:

Chairman
Mr. N R Narayanan

Member
Mr. K S Sampath

Member
Mr. Navin Puri

Member
Mr. P N Vasudevan (MD & CEO)

Meeting & Attendance

The Committee held one (1) Meeting during the year on 03 March, 2026.

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

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.

CAPITAL RAISING COMMITTEE

Composition

As on March 31, 2026, the Capital Raising Committee comprised of three (3) Independent Directors, MD & CEO and ED as below:

Chairman
Mr. Anil Kumar Sharma

Member
Mr. Navin Puri

Member
Mr. Ramesh Rangan

Member
Mr. P N Vasudevan (MD & CEO)

Member
Mr. Balaji Nuthalapadi (ED)

Meeting & Attendance

There were no meetings held during the Financial Year 2025-26.

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, 2025	10 September, 2025	11:00 A.M.	Video Conferencing/ Other Audio Visual Means (VC/OAVM)	Two (2)	a. To re-appoint Mr. Ramesh Rangan (DIN: 07586413) as an Independent Director b. To issue Redeemable Unsecured Non-Convertible Debentures / Bonds / other debt securities on a private placement basis.
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

All the proposed resolutions, including Special Resolutions, were passed by the Members as set out in the respective Notices.

During the year ending March 31, 2026, 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:

Postal Ballot 1:

Particulars of the Resolution	Appointment of Mr. Balaji Nuthalapadi (DIN: 08198456) as a Whole-Time Director (Executive Director) of the Bank	Fixing Remuneration payable to Mr. Balaji Nuthalapadi (DIN: 08198456) as a Whole-Time Director (Executive Director) of the Bank
Type of Resolution	Ordinary	Ordinary
No. of valid votes	628194997	628192101
In favour	627624929	627867934
Percentage (%) in favour of the resolution	99.91	99.95

Report on Corporate Governance (Contd.)

Particulars of the Resolution	Appointment of Mr. Balaji Nuthalapadi (DIN: 08198456) as a Whole-Time Director (Executive Director) of the Bank	Fixing Remuneration payable to Mr. Balaji Nuthalapadi (DIN: 08198456) as a Whole-Time Director (Executive Director) of the Bank
Against	570068	324167
Percentage (%) against the resolution	0.09	0.05

Name of the Scrutiniser	CS A Mohan Kumar, Practicing Company Secretary
Date of completion of Postal Ballot	June 15, 2025
Date of Report of Scrutiniser	June 17, 2025
Date of declaration of Results	June 17, 2025

Postal Ballot 2:

Particulars of the Resolution	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
Type of Resolution	Special
No. of valid votes	623092121
In favour	619713110
Percentage (%) in favour of the resolution	99.46
Against	3379011
Percentage (%) against the resolution	0.54

Name of the Scrutiniser	CS A Mohan Kumar, Practicing Company Secretary
Date of completion of Postal Ballot	July 22, 2025
Date of Report of Scrutiniser	July 24, 2025
Date of declaration of Results	July 24, 2025

There is no proposal to pass Special Resolutions through postal ballot except those requiring to be passed under the Act / 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 Act read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations. During the process of Postal Ballot, shareholders had voted through remote e-voting facility provided by the Bank in accordance with the prescribed Rules and Regulations.

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.

Report on Corporate Governance (Contd.)

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. 03/2025 dated 22 September, 2025 and as a measure of promoting Green Initiatives, the Bank will be sending the financial statements for the year ended March 31, 2026 and Notice of the Tenth 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 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 SHAREHOLDER INFORMATION

Annual General Meeting Day & Date	Wednesday, September 09, 2026
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	1st April, 2025 to 31st March, 2026
Dividend Payment date	Bank has not proposed any dividend for the Financial Year ended March 31, 2026. 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 2025-26 payable to the stock exchanges on which the Bank's securities are listed have been paid in full.
ISIN	Equity - INE063P01018 Debt - INE063P08112 & INE063P08120
Contact details of Debenture Trustee	**Catalyst Trusteeship Limited** GDA House, First Floor, Plot No. 85, No. 94 & 95 Bhusari Colony (Right), Kothrud, Pune – 411 038, Maharashtra Email: ComplianceCTL-Mumbai@ctltrustee.com
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 – 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 Regulation 40(1) of the Listing Regulations, including amendments thereto, any request for transfer, transmission and transposition of shares shall be processed for shares held in dematerialized form only. Further SEBI vide its Master Circular bearing reference SEBI/HO/MIRSD/MIRSD PoD/P/CIR/2025/91 dated June 23, 2025 and Circular bearing reference HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated January 30, 2026 has mandated to issue securities in dematerialized form only while processing investor 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.
Distribution of shareholding (as on March 31, 2026)	Details are provided in the table below
Dematerialization of shares and liquidity (as on March 31, 2026)	The total number of shares (issued and paid-up) of the Bank as on March 31, 2026 are 1141043060, out of which 1141042945 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	The Bank does not engage in commodity trading activities and accordingly, is not exposed to commodity price risk. Risks arising out of the foreign exchange business, are managed through a variety of market instruments such as swaps, forwards, and others, as appropriate. The Bank has risk limits in place for foreign exchange dealing which are continuously monitored and reported to management and Board, with reports sent to the regulator in compliance with applicable guidelines.
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 Email: cs@equitas.bank.in

Report on Corporate Governance (Contd.)

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 20, 2025
CARE Ratings Limited	Lower Tier II Bonds (Basel II)	CARE AA-; Stable	₹ 500 crores	Assigned on July 10, 2025
	Issuer Rating	CARE AA-; Stable	-	Reaffirmed on July 10, 2025
	Lower Tier II Bonds (Basel II)	CARE AA-; Stable	₹ 500 crores	Reaffirmed on July 10, 2025
	Certificate of Deposit	CARE A1+	₹ 1,500 crores	Reaffirmed on July 10, 2025
	Lower Tier II Bonds	CARE AA-; Stable	₹ 500 crores	Reaffirmed on August 20, 2025
	Lower Tier II Bonds	CARE AA-; Stable	₹ 500 crores	Reaffirmed on August 20, 2025
	Certificate of Deposit	CARE A1+	₹ 1,500 crores	Reaffirmed on August 20, 2025
	Issuer Rating	CARE AA-; Stable	-	Reaffirmed on August 20, 2025
	Lower Tier II Bonds (Basel II)	CARE AA-; Stable	₹ 500 crores	Reaffirmed on September 27, 2025
	Issuer Rating	CARE AA-; Stable	-	Reaffirmed on September 27, 2025
	Lower Tier II Bonds (Basel II)	CARE AA-; Stable	₹ 500 crores	Reaffirmed on September 27, 2025
	Certificate of Deposit	CARE A1+	₹ 1,500 crores	Reaffirmed on September 27, 2025
India Ratings and Research Private Limited	Tier II Bond (unutilized)	IND AA-/Stable	₹ 500 crores	Assigned on July 09, 2025
	Tier II Bond	IND AA-/Stable	₹ 500 crores	Affirmed on July 09, 2025
	Issuer Rating	IND AA-/Stable	-	Affirmed on July 09, 2025
	Certificate of Deposit	IND A1+	₹ 2,500 crores	Affirmed on July 09, 2025
	Issuer Rating	IND AA-/Stable	-	Affirmed on December 09, 2025
	Tier II Bond	IND AA-/Stable	₹ 1,000 crores	Affirmed on December 09, 2025
	Certificate of Deposit	IND A1+	₹ 2,500 crores	Affirmed on December 09, 2025

Shareholding pattern as on March 31, 2026

Description	No. of shares	% of shareholding
Alternative Investment Fund	27256237	2.39
Bodies Corporate	28187270	2.47
Clearing Members	41492	0.00
Directors and their Relatives (Excluding Independent Directors And Nominee Directors)	3085229	0.27
Foreign Companies	32745486	2.87
Foreign Portfolio Investors – Category I	118977636	10.43
Foreign Portfolio Investors – Category II	49166094	4.31

Description	No. of shares	% of shareholding
H U F	6975933	0.61
Insurance Companies	37929704	3.32
Key Managerial Personnel	796375	0.07
Mutual Funds	515331055	45.16
NBFC	24357	0.00
Non Resident Indians	14976165	1.31
Resident Individuals	305057008	26.73
Trusts	288993	0.03
Unclaimed Securities Account	204026	0.02
Total	**1141043060**	**100.00**

Distribution of equity shareholding as on March 31, 2026:

Category (Shares)	No. of Members	% of Members	No. of Shares	% of shareholding
1 - 5000	3,87,619	98.33	11,75,69,880	10.30
5001 - 10000	3,522	0.89	2,52,56,144	2.21
10001 - 20000	1,554	0.39	2,18,96,232	1.92
20001 - 30000	501	0.13	1,24,46,904	1.09
30001 - 40000	211	0.05	74,20,662	0.65
40001 - 50000	153	0.04	70,14,037	0.61
50001 - 100000	263	0.07	1,89,64,696	1.66
100001 and above	399	0.10	93,04,74,505	81.55
TOTAL	**3,94,222**	**100.00**	**114,10,43,060**	**100.00**

Name, Designation and address of Compliance Officer:

Mr. 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

Email: cs@equitas.bank.in

Report on Corporate Governance (Contd.)

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Name of the Senior Management	Designation
Mr. N Sridharan*	Chief Financial Officer
Mr. N Ramanathan	Company Secretary
Mr. Murali Vaidyanathan	Senior President & Head Liabilities
Mr. J Jagadesh*	Head - Assets
Mr. Ashwini Biswal	Chief Compliance Officer
Mr. Sibi P M*	Chief Risk Officer
Mr. Vikas Jagdish Jajoo*	Head – Internal Audit
Mr. G Gopalakrishnan *	Head - Treasury
Mr. S Sethupathy	Head – Process and Quality Assurance
Mr. Vivek Vitthal Dhavale	Chief Technology Officer
Mr. Siby Sebastian	Head – Operations
Mr. Pallab Mukherji	Chief People Officer
Mr. Vignesh M	Head - Marketing, Brand & Corporate communication
Mr. Arcot Sravanakumar	President - Infrastructure & Facilities Management
Ms. Smitha Kumar*	Head – Customer Experience
Mr. John Alex*	Head – Lead Bank, Govt. Liaison & Social Initiatives

** Mr. Rohit Phadke, erstwhile Head - Assets, retired from the services of the Bank with effect from the close of business hours on July 31, 2025 and Mr. J Jagadesh was appointed as Head - Assets with effect from 01 May, 2025.*

** Mr. M Natarajan, erstwhile Head - Treasury, retired from the services of the Bank with effect from the close of business hours on June 30, 2025 and Mr. G Gopalakrishnan was appointed as Head – Treasury with effect from 01 July, 2025.*

** Mr. Sivapprakash was in the position of Head – Internal Audit & Vigilance till September 11, 2025 and subsequently redesignated as Head – Vigilance with effect from September 12, 2025 and Mr. Vikas Jagdish Jajoo was appointed as Head – Internal Audit with effect from September 12, 2025.*

**Ms. Smitha Kumar, Head – Customer Experience forms part of SMP with effect from October 01, 2025.*

**Mr. Dheeraj Mohan, erstwhile Head - Strategy, Customer Experience & Investor Relations, BI & Analytics, resigned from the services of the Bank with effect from the close of business hours on October 31, 2025.*

**Mr. Manish Agrawal was appointed as President – Finance with effect from November 03, 2025 and resigned from the services of the Bank with effect from close of business hours on November 28, 2025.*

** Mr. John Alex resigned from the services of the Bank with effect from the close of business hours on March 31, 2026.*

** Mr. N Sridharan retired from the services of the Bank with effect from the close of business hours on June 30, 2026. Mr. Mukund Shyamrao Barsagade had taken charge as Chief Financial Officer of the Bank with effect from July 01, 2026.*

** Mr. Taraka Ramana Prathipati was appointed as Interim Chief Risk Officer of the Bank with effect from July 01, 2026 on completion of the term of Mr. Sibi P M at the close of business hours on June 30, 2026.*

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 the financial year 2025-26. All the related party transactions entered into during the 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 on materiality of related party transactions and on dealing with related party transactions which 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.

Penalties imposed by various authorities during the FY 2025-26

Authority imposing the penalty	Penalty levied (In ₹)	Date of Intimation to Stock Exchanges through Corporate Governance report filed on quarterly basis
GST Department	Penalty of ₹ 8,20,230/- towards mismatch observed between GSTR 1 and GSTR 3B.	July 16, 2025
GST Department	Penalty of ₹ 2,31,180/- towards mismatch observed between GSTR 1 and GSTR 3B	October 17, 2025
Commercial Tax Officer	Penalty of ₹ 1,83,728/- Short payment of Tax, Excess Input Credit claimed and Difference in Credit Note between GSTR 1 and GSTR 9	January 13, 2026
Deputy Commissioner of State Tax	Penalty of ₹ 2,21,857/- Excess Input Credit claimed and Reverse charges not paid	
Office of Deputy Commissioner	Penalty of ₹ 8,52,212/- Excess Input Credit claimed	
Office of Deputy Commissioner	Penalty of ₹ 7,47,036/- towards excess Input credit claimed	April 17, 2026
Department of Commercial Taxes, Government of Karnataka	Penalty of ₹ 7,02,500/- towards short payment of Professional Tax	August 05, 2026 (Reported belatedly with a revised filing in Q3 CG Report)

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.equitas.bank.in 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 the Financial Year 2025-26 is given below:

	Particulars	Fee (₹ in lakh)
i)	In capacity as Auditors	
	Audit fees (including fee for limited review)	112.39
	Statutory Certificates	0.50
	Other Reporting services	-
	Reimbursement of expenses	6.13
ii)	Other capacity	
	Tax Audit	7.17
Total		**126.19**

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 and Disclosures of transactions of the listed entity with any person or entity belonging to the promoter / promoter group which hold(s) 10% or more shareholding in the listed entity.

The disclosures as per Schedule V (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable being a listed Bank.

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 Financial Year 2025-26. The declaration to this effect from the MD & CEO is annexed with this Report as **Annexure E.**

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 2025-26	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, 2025	175	205181
Number of members who approached the Bank for transfer of shares from demat suspense account during the year	1	1155
Number of members to whom shares were transferred from the demat suspense account during the year	1	1155
Aggregate number of members and the outstanding shares in the demat suspense account of the Bank as on 31 March, 2026	174	204026

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 Act 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**. For Financial Year 2022-23, the Bank had declared a maiden dividend of Re.1/- per equity share having face value of ₹ 10/- each fully paid-up and for Financial Year 2023-24, the Bank had declared a dividend of Re.1/- per equity share having face value of ₹ 10/- each fully paid-up. The details of the Nodal Officer of the Bank is available on the Bank's website.

The amount of fractional entitlement, arising out of the Scheme of Amalgamation of the Bank and Equitas Holdings Limited (EHL) was credited to those shareholders entitled for the same.

Shareholders who have not received the eligible amount may write to the Bank / RTA.

As per the aforementioned provisions, there was no unclaimed / unpaid amounts or shares liable to be transferred to the IEPF during FY 2025-26.

The details regarding unclaimed dividends along with the due dates for transfer to IEPF are given below:

Financial Year	Amount (in ₹)	Date of declaration	Last date to claim from the Company prior to transfer to IEPF
FY 2020-21 (Interim)	6,73,888	10-08-2020	06-09-2027
FY 2020-21 (Second Interim)	9,06,376	05-02-2021	06-03-2028
FY 2022-23	10,82,795	29-08-2023	27-09-2030
FY 2023-24	10,99,528	10-09-2024	10-10-2031

Report on Corporate Governance (Contd.)

Pursuant to the Scheme of Amalgamation of the Bank and Equitas Holdings Limited (EHL), the fractional shares were consolidated and sold in the open market. The net proceeds were distributed to the eligible shareholders in proportion to their respective fractional entitlement. The details regarding unclaimed fractional entitlement amount along with the due date for transfer to IEPF is given below:

Amount (in ₹)	Date of payment	Last date to claim from the Company prior to transfer to IEPF
1,80,228.61	18-04-2023	17-04-2030

Special window for lodgement of share transfer request

In accordance with the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 pertaining to the opening of a special window for re-lodgement of transfer deeds, which were lodged prior to April 01, 2019 and rejected / returned / not attended to due to deficiency in the documents / process / or otherwise, a special window for lodgement of transfer requests was opened from July 07, 2025 to January 06, 2026. Accordingly, communications were sent to the Shareholders of the Bank vide e-mail / letters to create awareness and the same was intimated to the stock exchanges.

Further, pursuant to SEBI Circular bearing reference no. HO/38/13/11(2)/2026-MIRSD-POD-1/3750/2026 dated January 30, 2026, a second special one-year window has been provided for transfer and dematerialisation of physical shares, where the transfer deed was executed prior to April 01, 2019. The said special window is open from February 05, 2026 to February 04, 2027.

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 PRACTICE CODE FOR LENDERS

The Bank has adopted the Fair Practice Code for Lenders 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 *inter alia* requires Designated Persons and their immediate relatives to obtain 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 dealing in the securities of the Bank while in possession of Unpublished Price Sensitive Information. Further, the details of any closure of trading window is intimated to all concerned well in advance.

For and on behalf of the Board of Directors

P N Vasudevan
MD & CEO

Anil Kumar Sharma
Chairman

Date: June 24, 2026
Place: Chennai

Report on Corporate Governance (Contd.)

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 ending on 31st March, 2026 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	Designation	Date of appointment in Bank*
1	Mr.Anil Kumar Sharma	08537123	Independent Director	25/04/2024
2	Mr.Navin Puri	08493643	Independent Director	22/11/2019
3	Mr. Asuri Ramesh Sholinghur	07586413	Independent Director	09/11/2020
4	Prof. Samirkumar Barua	00211077	Independent Director	27/12/2021
5	Mrs. Geeta Dutta Goel	02277155	Independent Director	27/12/2021
6	Dr. Gulshan Rai	01594321	Independent Director	28/03/2024
7	Mr. Keezhayur Sowrirajan Sampath	07924755	Independent Director	16/07/2024
8	Mr. Narayanan Rajagopalan Nadadur	07877022	Independent Director	16/07/2024
9	Mr. Ramkumar Krishnaswamy	00244711	Independent Director	16/07/2024
10	Mr. Vasudevan Pathangi Narasimhan	01550885	Managing Director	21/03/2011
11	Mr. Balaji Nuthalapadi	08198456	Whole-Time Director	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.*

Ensuring the eligibility 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: May 14, 2026

For Shanmugam Rajendran & Associates LLP

CS S Rajendran
Managing Partner
FCS No.: 3727 CP No.: 14055
FRN: L2017TN002700
P/R: 7675/2026

Report on Corporate Governance (Contd.)

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 March 31, 2026 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: May 21, 2026

Annexure F

CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulations, 2015)

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") having CIN: L65191TN1993PLC025280 for the year ended on March 31, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and Para C, D & E of Schedule V and Regulation 34(3) 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) and (t) of sub-regulation (2) of Regulation 46, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 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, 2026.

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

CS S Rajendran
Managing Partner
FCS No.: 3727 CP No.: 14055
FRN: L2017TN002700
P/R: 7675/2026
UDIN: F003727H000361634

Place: Chennai
Date: May 14, 2026

Report on Corporate Governance (Contd.)

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, 2026 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, 2026
Place: Chennai

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, 2026, 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, 2026, 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, 2026. 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.	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.

Independent Auditor's Report (Contd.)

S. No.	Key Audit Matters	How our Audit Addresses our Key Audit Matters
	In view of the significance of this area to the overall audit of financial statements, it has been considered as a key audit matter.	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.
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.

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 as applicable under the relevant laws and regulations.

Independent Auditor's Report (Contd.)

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 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

Independent Auditor's Report (Contd.)

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, 2026 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.
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 31 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 according 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, 2026 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 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.

For **ASA & Associates LLP**
Chartered Accountants
ICAI FRN: 009571N/N500006

G N Ramaswami
Partner
ICAI Membership No. 202363
UDIN: 26202363AFDQEV5621

Place: Chennai
Date: 30-04-2026

For **Suri & Co.,**
Chartered Accountants
ICAI FRN: 004283S

Sanjeev Aditya M
Partner
ICAI Membership No. 229694

Place: Mumbai
Date: 30-04-2026

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, 2026 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, 2026, 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
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: 26202363AFDQEV5621

Place: Chennai
Date: 30-04-2026

For **Suri & Co.,**
Chartered Accountants
ICAI FRN: 004283S

Sanjeev Aditya M
Partner
ICAI Membership No. 229694

Place: Mumbai
Date: 30-04-2026

Balance Sheet
as on March 31, 2026

(All amounts in 000's of ₹, unless otherwise specified)

Particulars	Schedule	As at March 31, 2026	As at March 31, 2025
CAPITAL AND LIABILITIES			
Capital	1	1,14,10,431	1,13,98,624
Reserves and Surplus	2	4,98,37,895	4,93,26,579
Deposits	3	46,53,30,888	43,10,23,127
Borrowings	4	5,77,25,500	2,13,69,900
Other liabilities and provisions	5	2,17,98,870	1,52,38,114
TOTAL		**60,61,03,584**	**52,83,56,344**
ASSETS			
Cash and balances with Reserve Bank of India	6	5,56,32,884	4,95,41,056
Balances with banks and money at call and short notice	7	10,29,963	58,21,937
Investments	8	10,14,88,271	9,28,86,851
Advances	9	42,75,12,876	36,20,88,881
Fixed Assets	10	71,52,849	69,57,024
Other Assets	11	1,32,86,741	1,10,60,595
TOTAL		**60,61,03,584**	**52,83,56,344**
Contingent Liabilities	12	1,02,45,450	79,46,021
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

As per our report of even date

For **ASA & Associates LLP,**
Chartered Accountants
Firm Registration No.: 009571N / N500006

For Equitas Small Finance Bank Limited

G N Ramaswami
Partner
Membership No: 202363
Place: Chennai
Date: April 30, 2026

Anil Kumar Sharma
Part time Chairman and Independent Director
DIN:08537123
Place: Chennai
Date: April 30, 2026

Vasudevan PN
Managing Director and Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2026

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2026

For **Suri & Co,**
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694
Place: Chennai
Date: April 30, 2026

N Sridharan
Chief Financial Officer
Place: Chennai
Date: April 30, 2026

Ramanathan N
Company Secretary
M.No:28366
Place: Chennai
Date: April 30, 2026

Profit and Loss Account
for the year ended March 31, 2026

(All amounts in 000's of ₹, unless otherwise specified)

Particulars	Schedule	Year ended March 31, 2026	Year ended March 31, 2025
I INCOME			
Interest earned	13	6,79,42,371	6,31,17,250
Other income	14	1,07,35,472	91,14,891
TOTAL		**7,86,77,843**	**7,22,32,141**
II EXPENDITURE			
Interest expended	15	3,40,30,677	3,06,01,124
Operating expenses	16	3,19,97,480	2,82,88,345
Provisions and contingencies (refer note. 18.14 (f))		1,16,18,858	1,18,72,173
TOTAL		**7,76,47,015**	**7,07,61,642**
III PROFIT			
Net Profit for the year		10,30,828	14,70,499
Profit/(Loss) brought forward		89,74,706	93,68,219
Add: Reversal ESOP cost on Lapse of options		1,29,191	35,758
TOTAL		**1,01,34,725**	**1,08,74,476**
IV APPROPRIATIONS			
Transfer to Statutory Reserve		2,57,707	3,67,625
Transfer to Special Reserve		68,762	72,385
Transfer to Capital Reserve		3,73,031	1,23,113
Transfer to Investment Fluctuation Reserve		-	2,00,000
Dividend pertaining to previous year		-	11,36,647
Balance carried over to Balance Sheet		94,35,225	89,74,706
TOTAL		**1,01,34,725**	**1,08,74,476**
Earning per share (Basic) (in ₹)	18.19	0.90	1.29
Earning per share (Diluted) (in ₹)	18.19	0.90	1.29
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

For Equitas Small Finance Bank Limited

G N Ramaswami
Partner
Membership No: 202363
Place: Chennai
Date: April 30, 2026

Anil Kumar Sharma
Part time Chairman and Independent Director
DIN:08537123
Place: Chennai
Date: April 30, 2026

Vasudevan PN
Managing Director and Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2026

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2026

For **Suri & Co,**
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694
Place: Chennai
Date: April 30, 2026

N Sridharan
Chief Financial Officer
Place: Chennai
Date: April 30, 2026

Ramanathan N
Company Secretary
M.No:28366
Place: Chennai
Date: April 30, 2026

Cash Flow Statement
for the year ended March 31, 2026

(All amounts in 000's of ₹, unless otherwise specified)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	12,81,329	19,88,491
Adjustments for:		
Depreciation on Bank's property	16,65,201	14,81,493
Provision for Non-Performing Investments (Security Receipts (SRs))	6,41,792	-
(Profit)/Loss on revaluation of investments	1,71,419	31,403
Amortisation of premium/discount on investments	3,55,206	1,80,594
Provision for standard assets (including restructured standard assets) (net)	1,77,294	41,146
Provision for Standard Advances in Stressed sectors	63,740	4,06,956
Provision for Non performing advances (Including floating provision and Restructured NPA)	12,24,773	25,92,088
Other Provision and Contingencies	61,038	50,478
(Profit)/Loss on sale of fixed assets	(6,871)	(4,555)
Employee Stock Option Expenses	1,72,770	2,37,821
Operating Profit before working capital change	**58,07,691**	**70,05,915**
Adjustments for:		
(Increase)/Decrease in investments	(1,05,79,332)	(22,72,998)
(Increase)/Decrease in advances	(6,65,76,744)	(5,49,77,445)
Increase/(Decrease) in deposits	3,43,07,761	6,97,31,105
(Increase)/Decrease in other assets	(16,67,339)	9,70,891
(Increase)/Decrease in lien marked fixed deposits	1,00,185	-
Increase/(Decrease) in other liabilities and provisions	62,58,760	5,54,007
Cash flows (used in)/generated from operations	**(3,23,49,018)**	**2,10,11,475**
Direct taxes paid (Net)	(8,09,308)	(16,43,267)
Net cash (used in)/generated from operating activities (A)	**(3,31,58,326)**	**1,93,68,208**
Cash flow from investing activities		
Purchase of fixed assets	(19,31,640)	(24,46,838)
Proceeds from sale of fixed assets	77,485	60,127
Net cash (used in)/generated from investing activities (B)	**(18,54,155)**	**(23,86,711)**
Cash flow from financing activities		
Increase/(decrease) in borrowings (net)	3,63,55,600	34,94,600
Proceeds from issue of share capital (including share premium)	56,996	2,32,859
Dividend paid during the year	(76)	(11,35,479)
Net cash (used in)/generated from financing activities (C)	**3,64,12,520**	**25,91,980**
Net Increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**14,00,039**	**1,95,73,477**
Cash and Cash equivalents at beginning of the year	5,46,51,962	3,50,78,485
Cash and Cash equivalents at end of the year	**5,60,52,001**	**5,46,51,962**

Cash Flow Statement
for the year ended March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Notes to cash flow statement:		
Cash and Cash equivalents include the following		
Cash and Balances With Reserve Bank of India	5,56,32,884	4,95,41,056
Balances With Banks And Money At Call And Short Notice	10,29,963	58,21,937
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	(6,10,846)	(7,11,031)
Cash and Cash equivalents at end of the year	**5,60,52,001**	**5,46,51,962**

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, 2026

For **Suri & Co,**
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694
Place: Chennai
Date: April 30, 2026

For Equitas Small Finance Bank Limited

Anil Kumar Sharma
Part time Chairman and Independent Director
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Place: Chennai
Date: April 30, 2026

Vasudevan PN
Managing Director and Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2026

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2026

N Sridharan
Chief Financial Officer
Place: Chennai
Date: April 30, 2026

Ramanathan N
Company Secretary
M.No:28366
Place: Chennai
Date: April 30, 2026

Schedules to Balance Sheet

as on March 31, 2026

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 1 - CAPITAL

	As on March 31, 2026	As on March 31, 2025
Authorised capital		
1700,000,000 (Previous year :1700,000,000) Equity Shares of ₹ 10 each	1,70,00,000	1,70,00,000
Issued, subscribed and paid-up capital		
1141,043,060 (Previous year : 1139,862,421) Equity Shares of ₹ 10 each	1,14,10,431	1,13,98,624
TOTAL	**1,14,10,431**	**1,13,98,624**

Note: During the year ended March 31, 2026, the Bank has allotted 11,80,639 (Previous year : 49,75,142) equity shares of ₹ 10 each 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, 2026	As on March 31, 2025
I	**Statutory reserve**		
	Opening Balance	83,25,755	79,58,130
	Add: Additions during the year	2,57,707	3,67,625
	Less: Deductions during the year	-	-
	Total - (A)	**85,83,462**	**83,25,755**
II	**Capital reserve**		
	Opening Balance	5,14,557	3,91,444
	Add: Additions during the year	3,74,758	1,23,113
	Less: Deductions during the year	-	-
	Total - (B)	**8,89,315**	**5,14,557**
III	**Share premium**		
	Opening Balance	2,77,50,260	2,75,24,044
	Add: Received during the year *	45,190	1,83,108
	Add: Received (Non-Cash) during the year *	13,958	43,108
	Less: Deductions during the year	-	-
	Total - (C)	**2,78,09,408**	**2,77,50,260**
IV	**Special reserve account u/s 36(1)(viii) of Income Tax Act, 1961**		
	Opening Balance	6,65,641	5,93,256
	Add: Additions during the year	68,762	72,385
	Less: Deductions during the year	-	-
	Total - (D)	**7,34,403**	**6,65,641**
V	**Revenue and other reserves**		
	Opening Balance	3,21,843	2,54,400
	Add: Additions during the year	-	67,443
	Less: Deductions during the year	-	-
	Total - (E)	**3,21,843**	**3,21,843**

Schedules to Balance Sheet
as on March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

		As on March 31, 2026	As on March 31, 2025
VI	**Investment reserve**		
	Opening Balance	-	40,794
	Add: Additions during the year	-	-
	Less: Deductions during the year (Refer note.18.1c.(iv))	-	40,794
	Total - (F)	**-**	**-**
VII	**Investment fluctuation reserve**		
	Opening Balance	20,00,000	18,00,000
	Add: Additions during the year	-	2,00,000
	Less: Deductions during the year	-	-
	Total - (G)	**20,00,000**	**20,00,000**
VIII	**Share based reserve**		
	Opening Balance	5,66,814	4,07,859
	Add: Additions during the year	1,72,770	2,37,821
	Less : Transferred to Share Premium	13,958	43,108
	Less: Transferred to Balance in Surplus in Profit and Loss account	1,29,191	35,758
	Total - (H)	**5,96,435**	**5,66,814**
IX	**Available for sale (AFS) reserve**		
	Opening Balance	2,07,003	-
	Additions during the year (Refer note.18.1c.(iv))	-	2,07,003
	Deductions during the year	7,39,199	-
	Total - (I)	**(5,32,196)**	**2,07,003**
X	**Balance in Surplus in profit and loss account (J)**	**94,35,225**	**89,74,706**
	TOTAL (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)	**4,98,37,895**	**4,93,26,579**

* Securities Premium received on issue of equity shares.

SCHEDULE 3 - DEPOSITS

				As on March 31, 2026	As on March 31, 2025
A	**I**	**Demand deposits**			
		(i)	From banks	1,10,326	1,37,990
		(ii)	From others	1,52,53,095	1,62,98,304
	II	**Savings bank deposits**		10,66,19,008	10,76,21,839
	III	**Term deposits (Refer note below)**			
		(i)	From banks	8,44,81,344	7,83,30,100
		(ii)	From others	25,88,67,115	22,86,34,894
	TOTAL			**46,53,30,888**	**43,10,23,127**
B	I	Deposits of branches in India		46,53,30,888	43,10,23,127
	II	Deposits of branches outside India		-	-
	TOTAL			**46,53,30,888**	**43,10,23,127**

Note: Out of total term deposits, the amount of lien marked term deposits is ₹ 1790.20 Crore (PY : ₹ 1,258.62 Crore).

Schedules to Balance Sheet
as on March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 4 - BORROWINGS

		As on March 31, 2026	As on March 31, 2025
I	**Borrowings in India**		
	(i) Reserve Bank of India	-	-
	(ii) Other banks	-	-
	(iii) Other institutions and agencies	5,77,25,500	2,13,69,900
	TOTAL	**5,77,25,500**	**2,13,69,900**
II	Borrowings outside India	-	-
	TOTAL	-	-
	TOTAL	**5,77,25,500**	**2,13,69,900**
	Secured borrowings included in I and II above	-	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

		As on March 31, 2026	As on March 31, 2025
I	Bills payable	56,02,586	35,50,858
II	Inter-office adjustment (net)	-	-
III	Interest accrued	37,16,237	29,45,570
IV	Others (including provisions)*	1,24,80,047	87,41,686
	TOTAL	**2,17,98,870**	**1,52,38,114**

*Includes :-

1. Provision for Standard Assets
   a. Provision for standard assets ₹ 126.56 Crore (Previous year ₹ 105.28 Crore)
   b. Provisions for Restructured standard assets ₹ 8.49 Crore (Previous year ₹ 12.04 Crore)
   c. Additional provisions on standard assets on higher rate ₹ 50.82 Crore (Previous year : ₹ 44.45 Crore)
2. Provision for Employee Benefits ₹ 281.02 Crore (Previous year ₹ 206.58 Crore)
3. Sundry Creditors ₹ 13.50 Crore (Previous year ₹ 57.85 Crore)
4. Provision for Expenses ₹ 190.86 Crore (Previous year ₹ 137.11 Crore)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

		As on March 31, 2026	As on March 31, 2025
I	**Cash in hand**	11,89,084	11,78,591
	(Including Foreign Currency Notes : Nil,(Previous year: Nil))		
II	**Balance with Reserve Bank of India :**		
	(a) In current accounts	1,69,23,800	2,56,82,465
	(b) In other accounts	3,75,20,000	2,26,80,000
	TOTAL	**5,56,32,884**	**4,95,41,056**

Schedules to Balance Sheet
as on March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

		As on March 31, 2026	As on March 31, 2025
I	**In India**		
	(i) Balances with banks :		
	(a) In current accounts	2,07,247	1,18,893
	(b) In other deposit accounts (Refer note below)	6,59,931	7,11,031
	(ii) Money at call and short notice :		
	(a) With banks	-	-
	(b) With other institutions	-	49,92,013
	TOTAL	**8,67,178**	**58,21,937**
II	**Outside India**		
	(i) In current accounts	1,62,785	-
	(ii) In other deposit accounts	-	-
	(iii) Money at call and short notice	-	-
	TOTAL	**1,62,785**	**-**
	TOTAL	**10,29,963**	**58,21,937**
Note: Comprises deposits under lien with original maturity of more than three months		6,10,846	7,11,031

SCHEDULE 8 - INVESTMENTS

		As on March 31, 2026	As on March 31, 2025
I	**Investments in India (Net of provision)**		
	(i) Government Securities	9,25,98,620	8,44,54,288
	(ii) Other Approved Securities	-	-
	(iii) Shares	2,47,160	4,36,298
	(iv) Debentures and Bonds	20,00,000	49,99,942
	(v) Subsidiaries and/or Joint Ventures	-	-
	(vi) Others (Commercial Paper, Certificate of Deposits, PTCs, Mutual Funds & Security Receipts)	66,42,491	29,96,323
	TOTAL	**10,14,88,271**	**9,28,86,851**
II	**Investments outside India**		
	(i) Government securities (including local authorities)	-	-
	(ii) Subsidiaries and/or joint ventures abroad	-	-
	(iii) Other investments	-	-
	TOTAL	**-**	**-**
	TOTAL	**10,14,88,271**	**9,28,86,851**

Schedules to Balance Sheet
as on March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 9 - ADVANCES (NET OF PROVISION)

		As on March 31, 2026	As on March 31, 2025
A	(i) Bills purchased and discounted	9,87,839	12,42,826
	(ii) Cash credits, overdrafts and loans repayable on demand	3,91,15,774	2,60,08,602
	(iii) Term loans [1 & 2]	38,74,09,263	33,48,37,453
	TOTAL	**42,75,12,876**	**36,20,88,881**
B	(i) Secured by tangible assets [3]	34,67,70,221	31,29,63,652
	(ii) Covered by bank / government guarantees	4,24,69,198	44,53,869
	(iii) Unsecured [4]	3,82,73,457	4,46,71,360
	TOTAL	**42,75,12,876**	**36,20,88,881**
C	**I Advances in India**		
	(i) Priority sector	29,25,33,009	26,56,30,927
	(ii) Public sector	-	-
	(iii) Banks	6,37,917	10
	(iv) Others	13,43,41,950	9,64,57,944
	Total Advances in India	**42,75,12,876**	**36,20,88,881**
	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	**42,75,12,876**	**36,20,88,881**

Note:

1. Includes borrowings made under Inter Bank Participation Certificate (IBPC) ₹ 2, 000 Crore (previous year ₹ :NIL:)
2. Includes portfolio acquired through Direct Assignment (DA) ₹ 1,084.73 Crore (previous year ₹ : NIL:)
3. Includes advances against Book Debt: ₹ 1,938.49 Crore, (previous year ₹ 520.11 Crore)
4. Includes ₹ 0.18 Crore of top-up loans against vehicles, which are classified as unsecured (previous year ₹ 0.35 Crore)

SCHEDULE 10 - FIXED ASSETS

		As on March 31, 2026	As on March 31, 2025
A	**Premises (including land)**		
	Gross Block		
	At cost as on March 31 of the preceding year	29,95,723	29,27,792
	Additions during the year	91,750	70,177
	Deductions during the year	(5,087)	(2,246)
	At the end of the year	**30,82,386**	**29,95,723**
	Depreciation		
	As at beginning of the year	12,76,366	10,93,172
	Additions during the year	1,27,585	1,85,440
	Deductions during the year	(3,756)	(2,246)
	Depreciation to date	**14,00,195**	**12,76,366**
	Net block	**16,82,191**	**17,19,357**

Schedules to Balance Sheet
as on March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

		As on March 31, 2026	As on March 31, 2025
B	**Other fixed assets (including furniture and fixtures)**		
	Gross Block		
	At cost as on March 31 of the preceding year	1,03,21,886	91,60,240
	Additions during the year	16,00,561	14,10,709
	Deductions during the year	(3,46,673)	(2,49,063)
	At the end of the year	**1,15,75,774**	**1,03,21,886**
	Depreciation		
	As at beginning of the year	67,32,164	56,29,602
	Additions during the year	15,37,616	12,96,053
	Deductions during the year	(2,77,390)	(1,93,491)
	Depreciation to date	**79,92,390**	**67,32,164**
	Net block	**35,83,384**	**35,89,722**
C	**Capital work-in-progress**	**18,87,274**	**16,47,945**
	TOTAL	**71,52,849**	**69,57,024**

SCHEDULE 11 - OTHER ASSETS

		As on March 31, 2026	As on March 31, 2025
I	Interest accrued	58,61,286	49,90,549
II	Tax paid in advance / tax deducted at source (Net of provision for tax)	10,00,575	10,45,353
III	Stationery and stamps	8,865	15,439
IV	Deferred tax asset (net)	30,10,876	23,37,670
V	Others	34,05,139	26,71,584
	TOTAL	**1,32,86,741**	**1,10,60,595**

SCHEDULE 12 - CONTINGENT LIABILITIES

		As on March 31, 2026	As on March 31, 2025
I	**Claims against the bank not acknowledged as debts**		
	(a) Service Tax and Goods and Service Tax	55,316	27,690
	(b) Income Tax	4,74,361	4,84,361
	(c) Others	2,13,062	1,81,822
II	**Liability on account of outstanding forward exchange contracts**	31,41,409	-
III	**Guarantees given on behalf of constituents**		
	(a) In India	3,08,681	2,73,258
	(b) Outside India	-	-
IV	**Other items for which the bank is contingently liable**		
	(a) Depositor Education and Awareness Fund (DEAF)	3,108	2,312
	(b) Credit enhancements provided by the Bank towards securitisation advances	12,78,945	14,79,316
	(c) Capital commitments	19,11,886	11,53,296
	(d) Investment purchases pending settlement	28,58,682	43,43,966
	TOTAL	**1,02,45,450**	**79,46,021**

Schedules to Balance Sheet
as on March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

Schedules to Profit and Loss Account for the year ended March 31, 2026

SCHEDULE 13 - INTEREST EARNED

		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest/discount on advances/bills	5,97,08,804	5,56,33,195
II	Income on investments (including dividend)	66,09,686	64,73,870
III	Interest on balance with RBI and other inter-bank funds	16,21,982	10,09,683
IV	Others	1,899	502
	TOTAL	**6,79,42,371**	**6,31,17,250**

SCHEDULE 14 - OTHER INCOME

		Year ended March 31, 2026	Year ended March 31, 2025
I	Commission, exchange and brokerage	38,68,939	37,52,175
II	Profit / (loss) on sale of investments (net)	19,70,636	14,46,895
III	Profit / (loss) on revaluation of investments (net)	(1,71,419)	(31,403)
IV	Profit / (loss) on sale of building and other assets (net)	6,871	4,555
V	Profit / (loss) on exchange / derivative transactions (net)	3,947	-
VI	Miscellaneous income *	50,56,498	39,42,669
	TOTAL	**1,07,35,472**	**91,14,891**

*Includes ₹ 4.16 Crore (Previous year ₹ Nil) of income from sale of PSL Certificates, ₹ 4.71 Crore (Previous year ₹ Nil) of interest on Income tax refund AY 2025-26 and ₹ 31.52 Crore Profit on sale of NPA to ARC (Previous year ₹ Nil)

SCHEDULE 15 - INTEREST EXPENDED

		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest on deposits	3,09,13,428	2,89,03,965
II	Interest on Reserve Bank of India / inter-bank borrowings	4,85,352	3,04,497
III	Others	26,31,897	13,92,662
	TOTAL	**3,40,30,677**	**3,06,01,124**

Schedules to Balance Sheet
as on March 31, 2026 (Contd.)

(All amounts in 000's of ₹, unless otherwise specified)

SCHEDULE 16 - OPERATING EXPENSES

		Year ended March 31, 2026	Year ended March 31, 2025
I	Payments to and provisions for employees	1,96,40,778	1,62,10,067
II	Rent, taxes and lighting	21,36,638	19,04,345
III	Printing and stationery	1,54,989	1,43,326
IV	Advertisement and publicity	6,16,154	5,45,170
V	Depreciation on Bank's property	16,65,201	14,81,493
VI	Directors' fees, allowances and expenses	34,204	34,174
VII	Auditors' fees and expenses	12,619	11,358
VIII	Law charges (including professional fees)	6,87,433	5,55,602
IX	Postage, telegram, telephone etc.	3,68,333	3,27,465
X	Repairs and maintenance	4,38,518	3,75,902
XI	Insurance	4,52,429	3,96,603
XII	Commission and Brokerage	9,79,160	8,03,065
XIII	Information Technology Expenses	16,42,571	16,46,803
XIV	Travel & Conveyance	8,04,270	9,15,255
XV	Bank and other finance charges	1,45,496	2,59,923
XVI	Cash handling charges	1,46,230	2,36,167
XVII	CSR contributions & expenses	1,71,457	4,27,699
XVIII	Other expenditure *	19,01,000	20,13,928
	TOTAL	**3,19,97,480**	**2,82,88,345**

* Includes ₹ 6.36 Crore (Previous year ₹ 16.05 Crore) towards fees paid for purchase of PSL Certificates

Schedule 17 – Significant accounting policies forming part of the financial statements

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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.

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.
- 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.

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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 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 at least 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 guidelines.

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 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.

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).

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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 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 guidelines, 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 included 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

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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 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 (Small Finance Banks – Securitisation Transactions) Directions, 2025 dated November 28, 2025.

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 Master Direction - Reserve Bank of India (Small Finance Banks – Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025, any loss or realised gain from sale of loan assets through direct assignment is accounted through profit and loss account on completion of transaction.

Direct Assignment portfolio bought by the Bank are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the tenor of the loans on a straight line method or effective interest rate method.

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 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

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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.

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.

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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.

Foreign exchange derivative contracts

Derivative transactions comprise foreign exchange contracts, forward rate agreements, swaps and option contracts. The Bank undertakes derivative transactions for market making/trading and hedging transactions on balance sheet assets and liabilities. All market making/trading transactions are marked to market on daily basis and the resultant unrealized gains/ losses are recognized in the profit and loss account.

Outstanding forward exchange contracts (including funding swaps which are not revalued) are revalued daily basis on Present Value basis by discounting the forward value till present date.

Premium/discount on Bank book transactions is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Derivatives are classified as assets when the fair value is positive (positive marked to market) or as liabilities when the fair value is negative (negative marked to market).

Notional amounts of derivative transactions comprising of swaps, futures and options are disclosed as off-Balance Sheet exposures.

Pursuant to RBI guidelines, any overdue receivables representing positive mark-to-market value under derivative contracts which remain unpaid for a period of 90 days or more from the specified due date for payment is a Non-Performing Asset. The mark-to-market unrealised gains on all derivative contracts already taken in the profit and loss account with the same counterparties are reversed and held in Suspended Account - Crystallised Receivable.

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

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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 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.

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 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

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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 and expenses 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.

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

Schedule 17 – Significant accounting policies forming part of the financial statements (Contd.)

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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026

(All amounts in Crore of ₹, unless otherwise specified)

1 REGULATORY CAPITAL

a) Composition of Regulatory Capital

The Capital Adequacy Ratio ["CAR"] 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 as per Guidelines applicable for Small Finance Banks.

S. No	Particulars	As on March 31, 2026	As on March 31, 2025
i)	Common Equity Tier 1 capital	5,342.21	5,273.89
ii)	Additional Tier 1 Capital	-	-
iii)	Tier 1 Capital (i + ii)	5,342.21	5,273.89
iv)	Tier 2 Capital	1,161.35	814.95
v)	Total Capital (Tier 1 + Tier 2)	6,503.56	6,088.84
vi)	Total Risk Weighted Assets (RWAs)	32,028.39	29,558.14
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	16.68%	17.84%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.68%	17.84%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.63%	2.76%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.31%	20.60%
xi)	Leverage Ratio#	8.84%	10.06%
xii)	Amount of paid-up equity capital raised during the year*	1.18	4.98
xiii)	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)	-	-
xiv)	Amount of Tier 2 capital raised during the year, of which:		
	a) Basel II compliant Subordinated, Redeemable Lower Tier II Bonds	500.00	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, 2026, the Bank has allotted 11,80,639 (Previous year : 49,75,142) equity shares of ₹ 10 each 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, 2026 and March 31, 2025.

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 ₹ 25.77 Crore (Previous year ₹ 36.76 Crore) to Statutory Reserve for the year.

(ii) Capital Reserve

During the year, the Bank had appropriated ₹ 37.30 Crore (Previous Year ₹ 12.31 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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

As per paragraph 53 of Reserve Bank of India (Small Finance Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025 dated November 28, 2025, the Bank transferred an amount of ₹ 0.17 Crore (Previous year ₹ Nil) from AFS - Reserve to Capital Reserve.

(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 ₹ 6.88 Crore (Previous year ₹ 7.24 Crore) to Special Reserve. There is no drawdown from this reserve during FY 2025-26 and FY 2024-25.

(iv) Investment Reserve and Revenue Reserve

During the current year, the Bank has not transferred any amount to Revenue Reserves.

During the previous year ended March 31, 2025, 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.

(v) Investment Fluctuation Reserve

During the FY 2025-26, the bank has apportioned ₹ Nil (Previous year : ₹ 20.00 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 has not recommended any dividend for the Financial Year 2025-26 and Financial Year 2024-25.

2 ASSET LIABILITY MANAGEMENT

a) Maturity pattern of certain items of assets and liabilities

i) As on March 31, 2026

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	763.14	669.08	834.68	1,000.72	1,614.64	1,531.73	3,225.69	11,007.54	11,597.93	8,841.32	5,446.62	46,533.09
Advances*	20.83	(341.05)	384.64	287.06	441.69	1,095.42	2,579.61	5,370.77	17,521.32	5,843.53	9,547.47	42,751.29
Investments	1,695.65	12.36	-	472.87	656.65	648.32	701.82	1,664.71	1,840.15	1,578.35	877.95	10,148.83
Borrowings	-	-	-	100.00	28.00	169.00	336.12	822.24	1,766.96	2,550.23	-	5,772.55
Foreign Currency Assets	16.28	-	-	-	-	-	-	-	-	-	4.81	21.09
Foreign Currency Liabilities	-	-	-	-	0.57	9.03	27.79	135.76	111.50	-	-	284.65

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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	604.25	1,340.79	1,974.06	4,277.84	11,325.41	9,663.95	7,958.78	3,753.11	43,102.31
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	-	-	-	-	-	-	-	-	-	-	-	-

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.

* Maturity pattern of inflows from Advances in each time bucket has been adjusted with outflows on account of IBPC of ₹ 2,000 Crore based on the residual maturity. Advances as on March 31, 2026 include ₹ 2000 Crore of Inter Bank Participation Certificates (IBPC), out of which ₹ 600 Crore is bucketed in '2-7 days' bucket, ₹ 400 Crore in '15 to 30 days' bucket and ₹ 1000 Crore in '31 days to 2 Months'. (Previous year IBPC issued is ₹ : Nil).

b) (i) Liquidity Coverage Ratio (LCR)

Quantitative information on Liquidity coverage ratio (LCR) is given below:

Particulars		Quarter ended 30-Jun-25		Quarter ended 30-Sep-25		Quarter ended 31-Dec-25		Quarter ended 31-Mar-26	
		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)		11,339.50		11,285.50		10,364.23		10,221.92
Cash Outflows									
2	**Retail deposits and deposits from small business customers, of which:**								
(i)	Stable deposits	5,210.10	260.50	5,265.86	255.75	5,023.86	251.19	5,037.63	251.88
(ii)	Less stable deposits	20,448.17	2,044.82	21,162.91	2,116.13	20,674.37	2,067.44	20,290.88	2,029.09
3	**Unsecured wholesale funding, of which:**								
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	5,244.66	4,105.05	5,787.08	4,535.70	6,100.93	4,924.06	6,022.37	4,964.60
(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	193.81	9.71	207.17	10.44	222.15	11.11	246.16	12.83
6	**Other contractual funding obligations**	458.71	458.71	1,122.95	467.96	1,081.75	1,081.75	881.52	881.52
7	**Other contingent funding obligations**	529.29	91.11	545.36	91.44	466.92	82.56	411.67	70.18
8	**TOTAL CASH OUTFLOWS**		**6,970.00**		**7,477.41**		**8,418.00**		**8,210.10**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	69.15	0.00	1,749.32	0.00	248.27	0.00	117.27	0.00
10	Inflows from fully performing exposures	877.88	506.30	1,081.61	727.76	1,045.70	694.54	1,057.60	649.47
11	Other cash inflows	302.50	151.25	881.45	144.69	319.03	159.52	354.97	177.48
12	**TOTAL CASH INFLOWS**	**1,249.54**	**657.55**	**3,712.38**	**872.44**	**1,613.01**	**854.05**	**1,529.83**	**826.95**
13	**TOTAL HQLA**		**11,339.50**		**11,285.50**		**10,364.23**		**10,221.92**
14	**TOTAL NET CASH OUTFLOWS**		**6,312.36**		**6,604.97**		**7,564.06**		**7,383.15**
15	**LIQUIDITY COVERAGE RATIO (%)**		**179.64**		**170.86**		**137.02**		**138.45**

Qualitative disclosure around LCR

The Liquidity Coverage Ratio (LCR) is a global minimum standard for bank liquidity. It aims to ensure that 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 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, 2026 (Contd.)

(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 30-Jun-24		Quarter ended 30-Sep-24		Quarter ended 31-Dec-24		Quarter ended 31-Mar-25	
		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**
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 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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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 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, 2026:

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)**	**7,070.16**	**-**	**-**	**-**	**7,070.16**
2	Regulatory capital	7,070.16				7,070.16
3	Other capital Instruments	-				-
4	**Retail deposits and deposits from small business customers: (5+6)**	**8,779.12**	**3,207.12**	**14,029.30**	**61.34**	**23,734.81**
5	Stable Deposits	1,481.66	1,000.77	2,707.14		4,930.09
6	Less stable deposits	7,297.46	2,206.35	11,322.16	61.34	18,804.72
7	**Wholesale funding: (8+9)**	**697.69**	**1,184.25**	**10,218.47**	**4,861.96**	**10,912.17**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	697.69	1,184.25	10,218.47	4,861.96	10,912.17
10	**Other Liabilities (11+12)**	**12,997.03**	**285.87**	**-**	**-**	**-**
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	12,997.03	285.87	-	-	-
13	**Total ASF (1+4+7+10)**					**41,717.14**
Required Stable Funding (RSF) Item						
14	Total NSFR high-quality liquid assets (HQLA)					457.07
15	Deposits held at other financial institutions for operational purposes	37.00	46.99	11.00	-	47.50
16	**Performing loans and securities: (17+18+19+20+21+22+23)**	**-**	**6,537.16**	**4,838.65**	**31,239.77**	**31,228.70**
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	-	1,874.31	268.19	597.96	1,290.17

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(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	
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:	-	4,596.11	4,485.63	27,010.71	27,497.38
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	2.02	1.69	12.99	10.29
21	Performing residential mortgages, of which:	-	66.74	70.11	3,631.09	2,428.63
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	62.48	65.57	3,242.06	2,171.36
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-		14.73		12.52
24	**Other assets: (sum of rows 25 to 29)**	**4,548.05**	**586.30**	**0.29**	**5.93**	**4,833.78**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	91.49				77.76
27	NSFR derivative assets					
28	NSFR derivative liabilities before deduction of variation margin posted					
29	All other assets not included in the above categories	4,456.56	586.30	0.29	5.93	4,756.02
30	Off-balance sheet items		493.57	0.41	11.63	24.66
31	**Total RSF (14+15+16+24+30)**	**4,585.05**	**7,664.02**	**4,850.36**	**31,257.33**	**36,591.71**
32	**Net Stable Funding Ratio (%)**					**114.01%**

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.equitas.bank.in/reports-and-presentations/. These disclosures are not subjected to audit by the Statutory auditors of the Bank.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

c) (ii) 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
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%**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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.

3. INVESTMENTS:

a) (i) Composition of investment portfolio

Particulars	As on March 31, 2026						
	HTM		AFS	FVTPL		Associates & JVs	
	At cost	Fair Value		HFT	Non-HFT	At cost	Fair Value
I. Investments in India							
(i) Government securities	7,112.42	6,985.52	1,636.17	511.28	-	-	-
(ii) Other approved securities	-	-			-	-	-
(iii) Shares	-	-	-	24.72	-	-	-
(iv) Debentures and Bonds	200.00	200.10	-	-	-	-	-
(v) Associates and joint ventures	-	-	-	-	-	-	-
(vi) Others	0.00	0.00	658.15	0.00	175.21	-	-
Total	**7,312.42**	**7,185.62**	**2,294.32**	**536.00**	**175.21**	**-**	**-**
Less: Provisions for impairment / NPI	-	-	-	-	169.12	-	-
Net	**7,312.42**	**7,185.62**	**2,294.32**	**536.00**	**6.09**	**-**	**-**
II. Investments outside India							
(i) Government securities (including local authorities)	-	-	-	-	-	-	-
(ii) Associates and joint ventures	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**7,312.42**	**7,185.62**	**2,294.32**	**536.00**	**6.09**	**-**	**-**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

a) (ii) Composition of investment portfolio

Particulars	As on March 31, 2025						
	HTM		AFS	FVTPL		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) 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) 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) (i) Fair Value Hierarchy of investment portfolio measured at fair value on balance sheet

Particulars	As on March 31, 2026							
	AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India					-	-	-	-
(i) Government securities	1,636.17	-	-	1,636.17	511.28	-	-	511.28
(ii) Other approved securities	-	-	-	-	-	-	-	-
(iii) Shares	-	-	-	-	24.72	-	-	24.72
(iv) Debentures and Bonds	-	-	-	-	-	-	-	-
(v) Associates and joint ventures	-	-	-	-	-	-	-	-
(vi) Others	591.34	-	66.81	658.15	-	-	6.09	6.09
Total	**2,227.51**	**-**	**66.81**	**2,294.32**	**536.00**	**-**	**6.09**	**542.09**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	As on March 31, 2026							
	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) Associates and joint ventures	-	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**2,227.51**	**-**	**66.81**	**2,294.32**	**536.00**	**-**	**6.09**	**542.09**

b) (ii) 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) 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**
II. Investments outside India								
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-
(ii) 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, 2026	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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

d) Details of sales made out of HTM

Particulars	As on March 31, 2026	As on March 31, 2025
Opening carrying value of securities in HTM (A)	7,220.35	6,668.56
Carrying value of all HTM securities sold during the year (B)	2,895.36	1,038.61
Less: Carrying values of securities sold under situations exempted from regulatory limit (C)	2,547.18	717.26
Carrying value of securities sold (D=B-C)	348.18	321.35
Securities sold as a percentage of opening carrying value of securities in HTM (E=D/A)	4.82%	4.82%
Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	37.30	12.31

e) Reclassification between categories of investments

The Bank did not reclassify any investments from one portfolio category to another during the period April 01, 2025 to March 31, 2026. Similarly, no such reclassification was made during the previous year, April 01, 2024 to March 31, 2025.

f) Movement of provisions for non-performing investments (NPIs) and investment fluctuation reserve

S. No	Particulars	As on March 31, 2026	As on March 31, 2025
(i)	Movement of provisions held towards NPIs		
	a) Opening Balance	**97.74**	**91.69**
	b) Add: Provisions made during the year	71.38	6.05
	c) Less: Write off / write back of excess provisions during the year	-	-
	d) Closing balance	**169.12**	**97.74**
(ii)	Movement of Investment Fluctuation Reserve		
	(a) Opening balance	200.00	180.00
	(b) Add: Amount transferred during the year	-	20.00
	(c) Less: Drawdown	-	-
	(d) Closing balance	**200.00**	**200.00**
(iii)	Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL (including HFT) category	7.05%	9.67%

g) Sale and transfer of securities to/from HTM category

During the current year, through Conversion/Switch of security/Buyback auctions conducted by RBI, Bank had sold SLR securities from HTM category with Book Value ₹ 996.02 Crore and subscribed government securities as per the RBI press release. The bank had sold HTM securities with book value of ₹ 832.22 Crore through open market operations(OMO) and ₹ 718.94 crore through buyback conducted by RBI. The bank had also made outright sale transaction from HTM category of Book Value ₹ 348.18 Crore. As on March 31, 2026, Book value of the investments held in the HTM category is ₹ 7,312.41 Crore and book value over market value is ₹ 126.79 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 ₹ 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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

h) Non - SLR investment portfolio

(i) Non-performing non-SLR investments

S. No	Particulars	As on March 31, 2026	As on March 31, 2025
a)	Opening Balance	100.61	100.61
b)	Additions during the year since 1st April	74.61	-
c)	Reductions during the year	-	-
d)	Closing Balance	175.22	100.61
e)	Total provisions held	169.12	97.74

(ii) Issuer composition of Non SLR investments as on March 31, 2026:

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	1.01	-	-	-	-
2	FIs	2.03	-	-	-	-
3	Banks	205.34	99.16	-	-	-
4	Private Corporates	611.13	195.74	-	-	-
5	Subsidiaries / Joint Ventures	-	-	-	-	-
6	Others	242.03	242.03	-	-	-
7	Provision held towards depreciation / NPI	(172.57)	(169.12)	-	-	-
	Total	**888.97**	**367.81**	**-**	**-**	**-**

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, 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 and Equity.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

i) Details of Repo / Reverse Repo including under Liquidity Adjustment Facility (LAF) transactions :

As on March 31, 2026

S. No	Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on March 31, 2026	
		FV*	MV*	FV	MV	FV	MV	FV	MV
(i)	**Securities sold under repo**								
	a. Government securities	-	-	3,748.08	3,793.81	912.15	935.25	-	-
	b. Corporate debt securities	-	-	-	-	-		-	-
	c. Any other securities	-	-	-	-	-		-	-
(ii)	**Securities purchased under reverse repo**								
	a. Government securities	-	-	4,442.78	4,365.95	988.31	982.51	-	-
	b. Corporate debt securities	-	-	-	-	-	-	-	-
	c. Any other securities	-	-	-	-	-	-	-	-

* FV-Face Value; MV-Market Value

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	-	-	-	-	-		-	-
(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

j) Government Security Lending (GSL) transactions (in market value terms) : Nil (Previous year: Nil).

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

4 ASSET QUALITY

a) Classification of advances and provisions held as on March 31, 2026

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	35,854.69	767.74	277.24	22.75	1,067.73	36,922.42
Add: Additions during the year					2,125.40	
Less: Reductions during the year*					2,058.24	
Closing balance	42,445.21	920.30	185.06	29.53	1,134.89	43,580.10
*Reductions in Gross NPAs due to:						
i) Upgradation					600.04	
ii) Recoveries (excluding recoveries from upgraded accounts)					538.23	
iii) Technical/Prudential Write-offs					629.59	
iv) Write-offs other than those under (iii) above					290.38	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	161.78	338.81	172.05	22.67	533.53	695.31
Add: Fresh provisions made during the year					1,240.30	
Less: Excess provision reversed/Write-off loans					1,125.02	
Closing balance of provisions held	135.05	467.35	151.93	29.53	648.81	783.86
Net NPAs						
Opening Balance		248.93	105.19	0.08	354.20	
Add: Fresh additions during the year					885.10	
Less: Reductions during the year					933.22	
Closing Balance		272.95	33.13	-	306.08	
Floating Provisions						
Opening Balance						180.00
Add: Additional provisions made during the year						-
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						901.61
Add: Technical/ Prudential write-offs during the year						629.59
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						345.97
Closing balance						1,185.23

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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	
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	

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions*						
Opening Balance	[redacted]	[redacted]				-
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	[redacted]	[redacted]				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.

NPA Ratio:

Ratios	As on March 31, 2026	As on March 31, 2025
Gross NPA to Gross Advances	2.60%	2.89%
Net NPA to Net Advances	0.72%	0.98%
Provision coverage ratio (PCR)	73.03%	66.83%
Provision coverage ratio (including Technical write offs)	86.81%	82.01%

b) Sector-wise Advances and Gross NPAs

S. No	Sector	As on March 31, 2026			As on March 31, 2025		
		Outstanding Advances	Gross NPAs	% of Gross NPAs to Total advances in that sector	Outstanding Advances	Gross NPAs	% of Gross NPAs to Total advances in that sector
(i)	**Priority Sector**						
a)	Agriculture and allied activities	7,782.71	255.72	3.29%	5,767.74	208.54	3.62%
b)	Advances to industries sector eligible as priority sector lending	3,083.59	103.09	3.34%	3,239.79	72.34	2.23%
c)	Services	15,807.08	383.38	2.43%	14,744.99	326.59	2.21%
	- Retail Trade	8,991.02	258.05	2.87%	8,392.40	166.83	1.99%
	- Vehicle / Auto Loans	6,576.83	106.91	1.63%	5,980.01	141.70	2.37%
d)	Personal loans*	1,851.19	27.82	1.50%	1,597.38	33.80	2.12%
	- Home Loan	1,851.19	27.82	1.50%	1,597.38	33.80	2.12%
e)	Others	1,173.53	67.39	5.74%	1,572.86	73.06	4.65%
	Sub-total (i)	**29,698.10**	**837.40**	**2.82%**	**26,922.76**	**714.33**	**2.65%**
(ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	-	-	0.00%	-	-	0.00%
b)	Industry	1,938.49	-	0.00%	524.89	4.78	0.91%
	- NBFC	1,938.49	-	0.00%	524.89	4.78	0.91%
c)	Services	347.75	29.61	8.51%	259.99	92.26	35.49%
	- Retail Trade	347.75	29.61	8.51%	259.30	91.81	35.41%
d)	Personal loans**	8,425.21	130.06	1.54%	6,892.22	175.04	2.54%
	- Loans against property	4,955.37	100.23	2.02%	4,667.05	126.47	2.71%
	- Home Loan	1,974.35	23.23	1.18%	1,607.04	24.76	1.54%
	- Gold Loans	886.22	1.63	0.18%	246.17	1.18	0.48%
e)	Others	3,170.55	137.82	4.35%	2,322.56	81.32	3.50%
	- Vehicle / Auto Loans	3,012.03	55.74	1.85%	2,227.60	59.50	2.67%
	Sub-total (ii)	**13,882.00**	**297.49**	**2.14%**	**9,999.66**	**353.40**	**3.53%**
	Total (i) + (ii)	**43,580.10**	**1,134.89**	**2.60%**	**36,922.42**	**1,067.73**	**2.89%**

* 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 restructured advances in accordance with the 'Reserve Bank of India (Small Finance Banks – Resolution of Stressed Assets) Directions, 2025', issued vide circular RBI/DOR/2025-26/196 (DOR.STR. REC.115/21.04.048/2025-26) dated November 28, 2025.

(₹ in Crore except number of accounts)

Year ended March 31, 2026		Year ended March 31, 2025	
No. of accounts restructured	Amount outstanding	No. of accounts restructured	Amount outstanding
2	2.18	Nil	Nil

Number of accounts restructured reported in the disclosure above is reported at a borrower level.

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 March 31, based on the conditions mentioned in Reserve Bank of India (Small Finance Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 and as amended thereafter.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

f) Disclosure of transfer of loan exposures

(i) Loans not in default:

a. Details of "loans not in default" acquired through assignment:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Aggregate amount of loans acquired (₹ in Crore)	1,354.09	-
Weighted average residual maturity (in years)	1.50	-
Weighted average holding period (in years)	0.70	-
Retention of beneficial economic interest	153.86	-
Tangible security coverage	-	-

b. During the year ended March 31, 2026 and March 31, 2025, the Bank has not transferred any loans which are not in default.

(ii) Stressed loans transferred or acquired

a. Details of stressed loans (classified as NPA) transferred during the year March 31, 2026

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	14,393	-	-
Aggregate principal outstanding of loans transferred	565.40	-	-
Weighted average residual tenor of the loans transferred (in years)	2.63	-	-
Net book value of loans transferred (at the time of transfer)	41.08	-	-
Aggregate consideration	184.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

During the previous year, the Bank has not transferred any stressed loans (Non-performing asset and Special Mention Account).

b. During the year, the Bank has not acquired Stressed loans (Non-performing asset and Special Mention Account) (Previous year: Nil)

(iii) The Bank has reversed excess provision of ₹ 68.31 Crore to the profit and loss account on account of sale of non performing advances to ARC (Previous year: ₹ Nil).

(iv) Details of recovery ratings assigned to Security Receipts as on March 31, 2026

Recovery rating	Anticipated Recovery as per Recovery Rating	Book value	Provision
R1 +/RR1 +	> 150%	-	-
R1 /RR1	100% - 150%	114.28	110.47
R2 / RR2	75% - 100%	-	-
R3 RR3	50% - 75%	-	-
RR4 / R4	25% - 50%	-	-
RR5 / R5	0% - 25%	40.33	40.33
Yet to be rated	-	20.61	18.32
Unrated	-	-	-

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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	-	-	-

g) Non-Fund (NFB) Credit Facilities:

S. No	Particulars	As on March 31, 2026		As on March 31, 2025	
		Secured Portion	Unsecured Portion	Secured Portion	Unsecured Portion
i)	Outstanding Guarantees				
	a) In India	12.76	18.11	9.95	17.38
	b) Outside India	-	-	-	-
ii)	Acceptances, Endorsements and other Obligations	-	-	-	-
iii)	Other NFB Credit facilities	-	-	-	-

h) Fraud accounts

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Number of frauds reported	488	1,891
Amount involved in fraud	18.33	20.54
Amount of provision made for such frauds*	11.69	6.81
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

* Net of Recovery

i) Disclosure related to project finance

The Bank does not have any project finance as on March 31, 2026 and March 31, 2025 to disclose under 'Reserve Bank of India (Small Finance Banks - Financial Statements : Presentation and Disclosures) Directions, 2025' dated November 28, 2025 and as amended thereafter.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

j) Disclosure under resolution framework for COVID-19-related Stress

a) As on March 31, 2026

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, 2025 (A)$	Of (A) aggregate debt that slipped into NPA during the half - year March 31, 2026	(Of (A) amount written off during the half -year) March 31, 2026#	Of (A) amount paid by the borrower during the half-year March 31, 2026##	Exposure to accounts classified as Standard consequent of implementation of resolution plan - Position as at end of this half-year i.e. March 31, 2026
Personal Loans	4.88	0.08	-	0.19	4.61
Corporate persons*	0.04	0.04	-	-	-
Of which MSMEs	-	-	-	-	-
Others	83.24	3.74	0.16	14.06	65.44
Total	**88.16**	**3.86**	**0.16**	**14.25**	**70.05**

* 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

(ii) There were 116 borrower accounts having an aggregate exposure of ₹ 0.85 Crore to the Bank, where resolution plans had been Implemented under RBI's Resolution Framework 1.0 dated August 06, 2020 and were modified under RBI's Resolution Framework 2.0 dated May 05, 2021

b) As on March 31, 2025

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

(ii) 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 06, 2020 and were modified under RBI's Resolution Framework 2.0 dated May 05, 2021.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

k) 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, 2026	As on March 31, 2025
(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^. Exposure would also include non-fund based (NFB) limits.	22,854.83	19,348.91
	- of which housing loans eligible for inclusion in priority sector advances#	1,942.75	1,671.88
	(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	167.08	152.60
	(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).	136.82	92.69
	Total exposure to Real Estate Sector	**23,158.73**	**19,594.20**

Exposure represents the higher of the sanctioned or outstanding to Real estate sector.

^Includes exposure to Home Loans as well as Loan Against Property (including Residential mortgages), other than those classified under CRE-RH; inclusive of IBPC exposure as on March 31, 2026 : ₹ 1,596 Crore (Previous year : ₹ 'Nil')

**Commercial Real estate exposure classification is based on Reserve Bank of India (Small Finance Banks – Credit Facilities) Directions, 2025 (Updated as on April 01, 2026) and mainly 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, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

b) Exposures to Capital Market

S. No	Particulars	As on March 31, 2026	As on March 31, 2025
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;	24.72	43.63
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	**24.73**	**43.64**

c) Risk category-wise country exposure

(i) As on March 31, 2026

Risk Category	Exposure (Net)	Provision held
Insignificant	16.26	-
Low	0.02	-
Moderately Low	-	-
Moderate	-	-
Moderately High	-	-
High	-	-
Very High	-	-
Total	**16.28**	**-**

(ii) As on March 31, 2025, the Bank does not have any country risk exposure other than :home country exposure and accordingly, no provision is maintained with regard to country risk exposure.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

d) Unsecured advances

Particulars	As on March 31, 2026	As on March 31, 2025
Total unsecured advances of the bank	3,827.35	4,467.14
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, 2026 is ₹ 98.78 Crore (Previous year: ₹ 124.28 Crore)

f) Intra- Group exposure

S. No	Particulars	As on March 31, 2026	As on March 31, 2025
(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

The Bank monitors the Unhedged Foreign Currency Exposure (UFCE) of its borrowers in accordance with the Reserve Bank of India's Credit Risk Management guidelines on UFCE, as applicable to Small Finance Banks and as amended from time to time.

In line with regulatory requirements, the Bank has established a robust framework for the identification, measurement, and ongoing monitoring of UFCE as an integral part of its overall credit risk management process. The Bank obtains periodic information on foreign currency exposures from borrowers, after excluding fully hedged exposures and natural hedges, wherever applicable. The risks arising from UFCE are factored into the internal credit rating framework and the credit appraisal and approval process.

The Bank assesses the potential loss arising from UFCE by applying exchange rate volatility factors, based on historical data, to the unhedged foreign currency exposure. The borrower's capacity to absorb such losses is evaluated by comparing the estimated potential loss with earnings before interest and depreciation (EBID). Based on this assessment, exposures are classified into prescribed risk buckets, which determine the applicable incremental provisioning and capital requirements, in line with RBI guidelines, as detailed below:

Potential Loss / EBID (per cent)	Incremental Provisioning Requirement (basis points)	Incremental Capital Requirement
Upto 15 percent	-	-
More than 15 percent and upto 30 percent	20bps	-
More than 30 percent and upto 50 percent	40bps	-
More than 50 percent and upto 75 percent	60bps	-
More than 75 percent	80bps	25 percentage point increase in the risk weight

In accordance with RBI guidelines, as on March 31, 2026 the Bank holds standard asset provisions of ₹ 0.003 Crore (previous year: ₹ 0.013 Crore) in respect of the unhedged foreign currency exposure of its customers.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

h) Details of Loans against gold and silver collateral :

Details of loans extended against eligible gold collateral as on March 31, 2026.

The disclosure requirements under the Reserve Bank of India (Small Finance Bank – Credit Facilities) Directions, 2025 for loans against gold and silver collateral will be applicable from the date of adoption of the revised directions issued on November 28, 2025.

As stipulated, the Bank will implement these directions with effect from April 01, 2026, within the prescribed timeline.

6 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

a) Concentration of Deposits *

Particulars	As on March 31, 2026	As on March 31, 2025
Total Deposits of twenty largest depositors	9,592.75	7,105.81
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	20.61%	17.60%

* excludes Certificate of Deposits issued

b) Concentration of Advances*

Particulars	As on March 31, 2026	As on March 31, 2025
Total advances of twenty largest borrowers	1,795.88	602.66
Percentage of advances of twenty largest borrowers to Total advances of the bank	3.93%	1.62%

*Advances computed based on credit exposure i.e., funded and non-funded limits including derivative exposures where applicable. Advances includes IBPC advances. Advances against bank's own term deposit is not considered for above Advance computation.

c) Concentration of Exposures *

Particulars	As on March 31, 2026	As on March 31, 2025
Total Exposure of twenty largest borrowers/customers	2,391.71	1,126.31
Percentage of Exposures of twenty largest borrowers/customers to Total exposures of the bank on borrowers/customers	5.14%	2.97%

*Exposure is based on Credit Exposure and Derivaties as prescribed in RBI regulation. Exposures includes IBPC advances. Advances against bank's own term deposit is not considered for above exposure computation.

d) Concentration of NPA

Particulars	As on March 31, 2026	As on March 31, 2025
Total exposure to the top twenty NPA accounts	54.95	86.18
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	4.84%	8.07%

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

7 DERIVATIVES

(a) Details of derivative portfolio

S. No	Particulars	As on March 31, 2026			As on March 31, 2025		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
i)	Interest Rate Derivatives						
	MTM - Assets	-	-	-	-	-	-
	MTM - Liabilities	-	-	-	-	-	-
	Net Gain/Loss recognised in Profit &Loss Account	-	-	-	-	-	-
ii)	Exchange Rate Derivatives						
	MTM - Assets	16.76	-	-	-	-	-
	MTM - Liabilities	0.07	-	-	-	-	-
	Net Gain/Loss recognised in Profit &Loss Account	16.69	-	-	-	-	-
iii)	Other Derivatives (specify)						
	MTM - Assets	-	-	-	-	-	-
	MTM - Liabilities	-	-	-	-	-	-
	Net Gain/Loss recognised in Profit &Loss Account	-	-	-	-	-	-

(b) Forward rate agreement/Interest rate swap : Nil

(c) Exchange traded interest rate derivatives: Nil

(d) Disclosures on risk exposure in derivatives

I) Qualitative disclosures

(i) The bank has a Market Risk Management department which oversees the management of risk in derivatives trading. The Head of Market Risk reports to the Chief Risk Officer.

(ii) The bank has employed advanced Treasury and Risk management systems to measure and monitor risks involved in derivatives exposures. The Top management of the bank is informed on the risk exposures on a daily basis.

(iii) The Bank's policies on Trading and Investments include derivatives as an instrument for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.

(iv) The bank has an adequate accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral, and credit risk mitigation.

(v) The Bank did not have any long-term contracts including derivative contracts as at year end for which there were any material foreseeable losses.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

II) Quantitative disclosures

S. No	Particulars	As on March 31, 2026		As on March 31, 2025	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount)	314.14	-	-	-
b)	Marked to Market Positions [1]				
	i) Asset (+)	16.76	-	-	-
	ii) Liability (-)	0.07	-	-	-
c)	Credit Exposure [2]	19.90	-	-	-
d)	Likely impact of one percentage change in interest rate (100*PV01)	-	-	-	-
e)	Maximum and Minimum of 100*PV01 observed during the year	-	-	-	-

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, 2026	As on March 31, 2025
1. No. of SPEs holding assets for securitisation transactions originated by the originator	4	5
2. Total amount of securitised assets as per books of the SPEs	224.37	618.04
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)	61.08	71.10
Others (Investments in junior PTC's)	66.81	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	-	-

Particulars		As on March 31, 2026		As on March 31, 2025	
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation		-		-	
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	4	61.08	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	4	224.37	5	618.04
Services Provided	**Form of facility**	**No of Transaction**	**Value of Facility**	**No of Transaction**	**Value of Facility**
Liquidity Support	Fixed Deposits	4	61.08	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	4	224.37	5	618.04
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)		61.08		71.10	
(b) Repayment received (Reset CC)		-		-	
(c) Outstanding amount (Outstanding CC)		61.08		71.10	
8. Average default rate of portfolios observed in the past					
a. Vehicle Finance Loans*		3.01%		3.31%	
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 (Previous year: Nil)	Nil (Previous year: Nil)

10 Transfers to Depositor Education and Awareness Fund (DEA Fund)

S. No	Particulars	As on March 31, 2026	As on March 31, 2025
(i)	Opening balance of amounts transferred to DEA Fund	0.231	0.214
(ii)	Add: Amounts transferred to DEA Fund during the year	0.080	0.017
(iii)	Less: Amounts reimbursed by DEA Fund towards claims	-	-
(iv)	**Closing balance of amounts transferred to DEA Fund**	**0.311**	**0.231**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(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) [Nos.]

Complaints received by the bank from its customers

S. No	Particulars	As on March 31, 2026	As on March 31, 2025
1	Number of complaints pending at beginning of the year *	997	82
2	Number of complaints received during the year	29,533	23,755
3	Number of complaints disposed during the year	29,390	22,840
3.1	Of which, number of complaints rejected by the bank	10,251	6,251
4	Number of complaints pending at the end of the year	1,140	997
Maintainable complaints received by the bank from Offices of Ombudsman			
5	Number of maintainable complaints received by the bank from Office of Ombudsman	372	294
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	191	161
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	181	133
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

Note:

* i. Opening balance for FY 2025-26 - 1,030 (997 customer complaints & 33 OBO complaints).

ii. Table above excludes complaints resolved within T+1 day.

iii. Total complaints for FY 2025-26 (complaints received from Customer and OBO (including non maintainable complaints)) - 30,011 (Previous year: 25,990).

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
FY 2025-26					
ATM/Debit Cards	167	10038	89% increase	239	3
Internet/Mobile/Electronic Banking	469	4562	31% decrease	489	20
Levy of charges without prior notice/excessive charges/ foreclosure charges	5	3667	1160% increase	91	
Account opening/difficulty in operation of accounts	86	1617	54% decrease	59	
Loans and advances	98	1597	35% increase	60	
Others	172	8052	18% increase	202	
Total	**997**	**29533**		**1140**	**23**

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
FY 2024-25					
Account opening/difficulty in operation of accounts	6	3,511	660% increase	86	
Internet/Mobile/Electronic Banking	11	6,600	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**

Table above excludes complaints resolved within T+1 day

12 DISCLOSURE OF PENALTIES IMPOSED BY THE RESERVE BANK OF INDIA

(i) During the year ended March 31, 2026, there are no penalties imposed by the Reserve Bank of India under the provisions of the

(i) Banking Regulation Act, 1949,

(ii) Payment and Settlement Systems Act, 2007, and

(iii) Government Securities Act, 2006 (for bouncing of SGL)

During the previous 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.)

(ii) Bank has not defaulted on reverse repo-related transactions during the current year or the previous year.

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

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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 and replaced with RBI Master Directions RBI/DoR/2025-26/204 DoR.SOG(SPE).REC.No.123/13-04-001/2025-26 dated November 28, 2025 and as amended thereafter.

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 upto 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 upto 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.

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.

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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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 independent of buisness results 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 04, 2019 and repalced with RBI Master Directions RBI/DoR/2025-26/204 DoR.SOG(SPE).REC.No.123/13-04-001/2025-26 dated November 28, 2025 and as amended thereafter. 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, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

b) Quantitative disclosures

The quantitative disclosures are provided in respect of Whole-Time Directors / Chief Executive Officer/ Other Risk Takers.

S. No	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year	9	8
	Remuneration paid to its members (Sitting Fees).	0.19	0.15
	(i) Number of employees having received a variable remuneration award during the financial year *	8*	5
	(ii) Number and total amount of sign-on/ joining bonus made during the financial year.	No. of ESOPs: 15,87,475 Value of ESOPs: ₹ 3,40,00,000	-
	(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: ₹ 1,62,90,702 No. of ESOPs: 44,61,872** Value of ESOPs: ₹ 10,87,01,580**	Cash: ₹ 2,24,97,148 No. of ESOPs: 37,22,313 Value of ESOPs: ₹ 10,12,83,775
	(ii) Total amount of deferred remuneration paid out in the financial year.$	Cash: ₹ 1,32,83,860 *** ESOP vested during the year: No. of ESOPs : 15,48,276 *** Value of ESOPs: ₹ 3,60,38,921 ***	Cash: ₹ 1,12,31,905 ESOP vested during the year: No. of ESOPs : 17,34,519 Value of ESOPs: ₹ 3,84,94,633
j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed: ₹ 12,69,50,330 Total Variable Cash : ₹ 2,18,98,707 $ a) Deferred Cash: ₹ 70,77,414 b) Paid Cash: ₹ 1,48,21,293 Non Cash - Deferred No of ESOPs: 27,93,325 Value of ESOPs: ₹ 5,67,37,146	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
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.	-	-
l)	Number of MRTs identified#	9#	5
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: ₹ 5,84,988 Deviation: WTD (MD) Sal: 45.1 times Mean Pay and WTD (ED) Sal: 41.0 times 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

*Includes 2 retired employees for whom deferred variable pay was paid in FY 2025-26

**ESOPs include joining ESOPs of 15,87,475 options worth ₹ 3,40,00,000 granted to the WTD

***Includes deferred variable pay pertaining to FY 2022-23, FY 2023-24 and FY 2024-25

$Variable Pay reported refers to variable pay determined in FY 2025-26 and payable for FY 2024-25 performance

#4 new MRTs were identified in FY 2025-26; Cash and Non-Variable Pay for these employees for FY 2024-25 is not deferred as these employees were not MRT 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, 2026 and for the year ended March 31, 2025 are as under:

Name	Remuneration	
	FY 2025-26	FY 2024-25
Anil Kumar Sharma*	0.16	0.15
K S Sampath**	0.15	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	0.10
Dr.Gulshan Rai	0.10	0.10
Narayanan N R***	0.10	0.07

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

Name	Remuneration	
	FY 2025-26	FY 2024-25
K Ramkumar ****	0.10	0.07
Arun Ramanathan#	-	0.01
Srinivasan N##	-	0.03
Vinod Kumar Sharma###	-	0.04
Arun Kumar Verma####	-	0.06
Balakrishnan N#####	-	0.05
Total	**1.01**	**1.09**

*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.

***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, 2026	As on March 31, 2025
(i)	Interest Income as a percentage to Working Funds*	12.04%	12.75%
(ii)	Non interest income as a percentage to Working Funds*	1.90%	1.84%
(iii)	Cost of Deposits	7.11%	7.40%
(iv)	Net Interest Margin$	6.57%	7.24%
(v)	Operating Profit as a percentage to Working Funds^*	2.24%	2.69%
(vi)	Return on Assets@	0.18%	0.30%
(vii)	Business (deposits plus advances) per employee # & (₹ in Crore)	2.98	3.03
(viii)	Profit per employee & (₹ in Crore)	0.004	0.006

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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

b) Bancassurance Business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
On Insurance products	90.59	93.83
On Mutual Fund products	3.66	3.00
Total	**94.25**	**96.83**

c) Marketing and Distribution

Miscellaneous income in Schedule 14 include the following income earned on Marketing and Distribution activity:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
NIL	-	-
Total	**-**	**-**

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, 2026 is ₹ 2,000 Crore (Previous Year "NIL").

e) Priority Sector Lending Certificate (PSLCs)

Particulars	Year ended March 31, 2026	
	PSLCs bought during the year	PSLCs sold during the year
Agriculture	1,000.00	800.00
Small and Marginal Farmers	-	1,000.00
Micro Enterprises	-	-
General	-	-
Total	**1,000.00**	**1,800.00**

Particulars	Year ended 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**	**-**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

f) Provisions and Contingencies

The breakup of provisions and contingencies debited to profit and loss account is given below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Provision for NPA (including write off)	1,042.45	905.56
Net provision / (reversal) towards Standard assets (including provision for restructured standard assets)	17.73	4.11
Provision for Non Performing Investment	64.18	-
Provision for taxes (net)	85.41	92.95
Deferred tax (net)	(60.36)	(41.15)
Floating Provisions	-	180.00
Additional Provision of Standard Assets	6.37	40.70
Other Provision and Contingencies	6.11	5.05
Total	**1,161.89**	**1,187.22**

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). On Oct 7, 2025, the Reserve Bank of India (RBI) issued Draft directions titled ::Draft Reserve Bank of India (Scheduled Commercial Banks & All India Financial Institutions - Asset Classification, Provisioning and Income Recognition) Directions, 2025. Subsequently, on April 27, 2026, the RBI finalized guidelines introducing a forward-looking Expected Credit Loss (ECL) framework for asset classification, effective April 1, 2027.

However, Small Finance Banks are currently excluded from the applicability of these directions. currently the implementation of Ind AS for Small finance 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 Small Finance banks.

As required by the RBI guidelines, the accounts of the Bank are converted into Ind AS pro-forma 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

The Bank has paid the deposit insurance premium, as applicable, to DICGC within the prescribed regulatory timelines during the Current year and Previous year.

i) Movement in provision for debit and credit card reward points

Particulars	As on March 31, 2026	As on March 31, 2025
Opening provision for reward points	1.38	0.85
Provision for reward points made during the year	2.30	1.38
Utilisation / Write back of provision for reward points	(1.61)	(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	**2.07**	**1.38**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

j) Fixed Assets - details of software

Particulars	As on March 31, 2026	As on March 31, 2025
Opening balance	246.18	231.75
Additions during the year	87.47	85.48
Less: Deletions	-	-
Less: Amortization to date	92.36	71.05
Closing balance	**241.29**	**246.18**

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, 2026	As on March 31, 2025
NIL	-	-

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, 2026	As on March 31, 2025
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	Year ended Mar 31, 2026	Year ended Mar 31, 2025
Overdue penal charges	88.42	57.96
Excess interest spread (EIS)	38.68	76.21

iv Other expenditure under :Schedule 16-Operating Expenses:

Items under other expenditure head exceeds one percent of the total income are furnished below

Particulars	Year ended Mar 31, 2026	Year ended Mar 31, 2025
NIL	-	-

l) Description of Contingent liabilities

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. Liability on account of outstanding forward exchange and derivative contracts:

The Bank undertakes Foreign Exchange forward contracts as part of its regular operations for multiple purposes- converting surplus FCY deposits into INR, manage the funding requirements of nostro accounts and for Merchant covering as well as trading purposes in the Interbank market. These contracts

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

involve the exchange of currencies at a predetermined price on a future date. The notional principal of such contracts is disclosed here. These contracts are classified under the Banking Book and Trading book and the accounting treatment of these contracts is carried out in accordance with the board approved accounting policy.

iv. 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.

Particulars	As on March 31, 2026	As on March 31, 2025
(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	3.95	7.04
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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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, 2026	Year ended March 31, 2025
a) Gross amount required to be spent by the Bank	14.67	15.73
b) Amount Approved by the Board to be spent during the year	14.67	39.90
c) Amount spent		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	14.67	39.90

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)

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 ₹ 89.57 Crore (Previous Year ₹ 74.18 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, 2026	As on March 31, 2025
Change in defined benefit obligations during the year		
Present value of defined benefit obligation at beginning of the year	106.28	85.48
Current / Past service cost	32.29	19.84
Interest cost	6.36	5.82
Benefits paid	(12.77)	(9.72)
Actuarial (gains)	10.35	4.86
Present value of Defined Benefit Obligation at end of the year	**142.51**	**106.28**
Change in Fair Value of Assets during the year		
Plan Assets at beginning of the year	90.75	59.22
Expected return on plan assets	7.29	5.32
Actual Bank contributions	45.60	29.26
Benefits paid out of the asset	(15.07)	(0.26)
Actuarial gain / (loss)	(2.24)	(2.79)
Plan Assets at End of the Year	**126.33**	**90.75**
Liability Recognised in the Balance Sheet		
Present value of defined benefit obligation	(142.51)	(106.28)
Fair value of plan assets	126.33	90.75
Net Liability Recognised in the Balance Sheet	**(16.18)**	**(15.53)**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cost of Defined Benefit Plan for the year		
Current service cost	32.29	19.84
Interest cost	6.36	5.82
Expected return on plan assets	(7.29)	(5.32)
Net actuarial gains	12.59	7.65
Net Cost Recognized in the Profit and Loss account	**43.95**	**27.99**
Expected Return on Plan Assets	7.29	5.32
Actual Return on Plan Assets	5.05	2.53
Estimated contribution for the next year	20.00	20.00
Assumptions		
Discount rate (Refer Note (a))	7.23%	6.88%
Interest rate (Estimated rate of return on assets)	6.88%	7.22%
Future salary increase (Refer Note (b))	10.00%	10.00%
Attrition rate (Refer Note (b))	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%	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%

Notes:

a) 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.

b) 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.

c) Experience Adjustments:

Particulars	For the year ended 31- Mar-26	For the year ended 31- Mar-25	For the year ended 31- Mar-24	For the year ended 31- Mar-23	For the year ended 31- Mar-22
Projected benefit obligation	142.51	106.28	85.48	68.40	54.70
Fair value of plan assets	126.33	90.75	59.22	29.69	26.39
Surplus/ (Deficit)	(16.18)	(15.53)	(26.26)	(38.71)	(28.31)
Experience adjustments on plan liabilities - (gains) / losses	38.44	1.37	(1.90)	10.05	(2.90)
Experience adjustments on plan assets - gains / (losses)	(2.24)	(2.79)	(2.80)	(1.47)	(1.53)

d) Category of Plan Assets

Particulars	% of fair value to total plan assets as on 31-Mar- 26	% of fair value to total plan assets as on 31-Mar- 25
Government securities	0%	0%
Debenture and bonds	0%	0%
Equity shares	0%	0%
Others	100%	100%

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(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, 2026	Year ended March 31, 2025
Assumptions:		
Discount Rate	7.23%	6.88%
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%	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%

On November 21, 2025, the Government of India notified four Labour Codes viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, & the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes', consolidating existing 29 labour laws. The Bank has assessed the impact of these changes to the extent applicable to it and has made an incremental provision of ₹ 29.52 Crore toward gratuity and compensated absences under 'Employees cost' in the Profit and Loss Account during the quarter ended December 31, 2025 and year ended March 31, 2026. The above impact will be re-assessed and finalised based on the final rules as and when notified and industry practices.

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, 2026

Business Segments	Treasury	Retail Banking	Corporate / Wholesale Banking	Other Banking Business	Total
Segment Revenue	1,003.63	6,615.83	118.71	129.61	7,867.78
Segment Results	266.04	(161.30)	(25.05)	125.21	204.90
Unallocated (income)/expenses					76.77
Operating Profit					128.13
Income taxes					25.05
Net Profit					**103.08**
Other information					
Segment assets	15,115.52	42,723.19	2,368.12	-	**60,206.83**
Unallocated assets					403.53
Total assets					**60,610.36**
Segment liabilities	13,618.51	38,668.62	2,142.83	-	54,429.96
Unallocated liabilities					55.57
Total liabilities					**54,485.53**
Net assets / Capital employed	1,497.01	4,054.57	225.29	-	5,776.87
Unallocated Net assets / Capital employed					**347.96**
Total Capital Employed					**6,124.84**
Additional information					
Capital expenditure	**-**	**186.05**	**7.11**	**-**	**193.16**

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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	[redacted]				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	[redacted]				345.03
Total assets					**52,835.64**
Segment liabilities	12,765.05	33,249.13	691.09	-	46,705.27
Unallocated liabilities	[redacted]				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**

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, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

ii. Transactions with the Related Parties

Transaction	Name of the Related Party	Year ended March 31, 2026	Year ended March 31, 2025
Expenses			
CSR Contribution	Equitas Development Initiatives Trust	11.50	12.00
	Equitas Healthcare Foundation	3.17	27.90
Rent and Electricity for ATM at Hospital premises	Equitas Healthcare Foundation	0.01	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	1.08	1.31
	Relatives of Key Management Personnel	0.31	0.17
Term deposits closed	Equitas Development Initiatives Trust	0.03	0.02
	Key Management Personnel	1.28	1.37
	Relatives of Key Management Personnel	0.04	0.27
Interest on Term Deposits	Equitas Development Initiatives Trust	0.02	0.02
	Key Management Personnel	0.15	0.05
	Relatives of Key Management Personnel	0.01	0.02
Interest on Savings Deposits	Equitas Development Initiatives Trust	1.01	1.01
	Equitas Healthcare Foundation	0.07	0.67
	Key Management Personnel	0.06	0.03
	Relatives of Key Management Personnel	0.05	0.03
Others			
Remuneration paid to KMPs** (excludes employer's share of contribution to various funds and non-monetary perquisites)	Vasudevan PN, MD & CEO	3.09	2.92
	Balaji Nuthalapadi - ED	2.24	0.02

* denotes figures less than ₹ 1 lakhs

** 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, 2026	Year ended March 31, 2025
Vasudevan PN	191,612	-
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, 2026	Year ended March 31, 2025
Vasudevan PN	785,630	831,655
Balaji Nuthalapadi	1,587,475	-

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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

iii. Balances outstanding at the end of the year

Particulars	Name of the Related Party	Year ended March 31, 2026	Year ended March 31, 2025
Term Deposit	Equitas Development Initiatives Trust	0.29	0.29
	Key Management Personnel	1.10	1.30
	Relatives of Key Management Personnel	0.36	0.09
Interest Payable on term deposits	Equitas Development Initiatives Trust	*	*
	Key Management Personnel	0.01	0.01
	Relatives of Key Management Personnel	*	*
Savings Deposit	Equitas Development Initiatives Trust	8.29	7.83
	Equitas Healthcare Foundation	0.99	1.36
	Key Management Personnel	1.36	0.31
	Relatives of Key Management Personnel	0.10	0.14
Receivables			
Security deposit paid for ATM at Hospital premises	Equitas Healthcare Foundation	*	*

* denotes figures less than ₹ 1 lakhs

iv. Maximum Outstanding during the year

Particulars	Name of the Related Party	Maximum Outstanding during Apr 25 to Mar 26	Maximum Outstanding during Apr 24 to Mar 25
Term Deposit	Equitas Development Initiatives Trust	0.29	0.29
	Key Management Personnel	2.38	1.36
	Relatives of Key Management Personnel	0.48	0.24
Savings Deposit	Equitas Development Initiatives Trust	25.88	21.73
	Equitas Healthcare Foundation	3.41	29.14
	Key Management Personnel	3.23	1.47
	Relatives of Key Management Personnel	15.27	6.36

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, 2026	Year ended March 31, 2025
Future lease rentals payable at the end of the year		
- Not later than one year	93.18	76.70
- Later than one year but not later than five years	386.67	152.62
- Later than five years	124.97	44.20
Total minimum lease payments recognised in the Profit and loss account	119.05	97.60
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, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

19 EARNINGS PER SHARE (AS 20)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net profit after tax	103.08	147.05
Basic weighted average number of equity shares	1,140,553,569	1,137,871,980
Diluted weighted average number of equity shares	1,142,428,276	1,143,283,356
Nominal value of Equity shares (₹)	10.00	10.00
Basic Earnings per share (₹)	0.90	1.29
Diluted Earnings per share (₹)	0.90	1.29

During the year ended March 31, 2026, the Bank granted 95,20,405 options (Previous year 97,29,111 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, 2026		As on March, 2025	
Timing difference on account of:	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Impact of difference between tax depreciation and depreciation/amortization for financial reporting.	12.00	-	6.72	-
Expenditure charged to the profit and loss account in the current year but allowed for tax purposes on payment basis.*	72.11	-	53.38	-
Difference between Provisions for doubtful debts and advances and amount allowable under section 36 (1) (viia) of Income Tax Act, 1961.	88.47	-	76.60	-
Provision for advances	92.08	-	86.01	-
Others	54.91	-	34.77	6.96
Provision for special reserve u/s 36(i)(viii) of Income Tax Act, 1961	-	18.48	-	16.75
Net closing balance carried to the Balance Sheet (included in Schedule 11 - Other Assets)	**319.57**	**18.48**	**257.48**	**23.71**

*Amount pertains to Provision for Leave encashment ₹ 59.72 Crore (Previous year: ₹ 41.51 Crore), Provision for Gratuity ₹ 4.39 Crore (Previous year: ₹ 3.91 Crore) and Provision for Bonus and Others ₹ 8.00 Crore (Previous year: ₹ 7.96 Crore).

21 EMPLOYEES STOCK OPTION SCHEME

a) ESFB ESOP 2019

During the year ended 31st March 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 33,487,873 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, 2026, 3,08,53,018 (previous year 2,77,90,401) (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, 2026.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

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	33,487,873	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	1,200,000	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	6,438,855	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	282,000	01-Apr-2021 to 01-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	3,800,360	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	100,000	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	158,346	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
Grant 8	15-Feb-21	15-Feb-21	35.00	291,000	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	400,000	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

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(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 10	22-Mar-21	22-Mar-21	56.00	3,802,510	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	1,142,500	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	837,657	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	5,176,800	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	282,000	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	180,000	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	503,805	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
Grant 17	07-Feb-22	07-Feb-22	57.85	1,181,684	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	4,533,410	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

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(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 19	30-May-22	30-May-22	43.60	10,959,260	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	2,309,034	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	1,437,208	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	1,078,431	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	5,337,675	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	2,202,566	05-May-2024 to 05-May-2026 (Vesting over a period of three years)	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
Grant 27	18-Aug-23	18-Aug-23	83.15	1,216,330	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	6,827,866	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

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(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 29	12-Jun-24	12-Jun-24	98.19	1,991,790	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	831,655	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
Grant 32	29-Apr-25	29-Apr-25	66.97	1,587,475	29-Apr-2026 to 29-Apr-2029 (Vesting over a period of four years)	Equity	3 years from the date of vesting of the options	31.37% on 12 months from the date of grant	26.41% on expiry of one year from the 1st vesting date	22.08% on expiry of two years from the 1st vesting date	20.14% on expiry of three years from the 1st vesting date	Based on performance rating
Grant 33	29-Apr-25	29-Apr-25	66.97	35,000	29-Apr-2026 (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 34	17-Jun-25	17-Jun-25	67.51	7,012,300	17-Jun-2026 (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 35	17-Jun-25	17-Jun-25	67.51	785,630	17-Jun-2026 to 17-Jun-2028 (Vesting over a period of three years)	Equity	3 years from the date of vesting of the options	39.66% on expiry of 12 months from the date of grant	32.73% on expiry of one year from the 1st vesting date	27.61% on expiry of two years from the 1st vesting date	-	On Continuance of Service
Grant 36	26-Sep-25	26-Sep-25	57.19	100,000	26-Sep-2026 (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

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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

As on March 31, 2026

Particulars	Date of Grant	Outstanding Options as at April 1, 2025	Options granted during the Year	Options Forfeited / Lapsed / (revoked)	Options Exercised	Outstanding options as at March 31, 2026	Vested	Yet to vest	Weighted Average of the remaining maturity (in years)
Grant 1	22-Nov -19 & 08-Dec-19	57,544	-	1,200	56,344	-	-	-	-
Grant 2	12-Dec-19	-	-	-	-	-	-	-	-
Grant 3	29-Jan-20	-	-	-	-	-	-	-	-
Grant 4	24-Mar-20	126,900	-	-	-	126,900	126,900	-	0.50
Grant 5	26-Sep-20	-	-	-	-	-	-	-	-
Grant 6	15-Feb-21	-	-	-	-	-	-	-	-
Grant 7	15-Feb-21	-	-	-	-	-	-	-	-
Grant 8	15-Feb-21	174,600	-	87,300	-	87,300	87,300	-	0.88
Grant 9	15-Feb-21	-	-	-	-	-	-	-	-
Grant 10	22-Mar-21	147,145	-	-	147,145	-	-	-	-
Grant 11	22-Mar-21	477,900	-	66,975	66,975	343,950	343,950	-	1.21
Grant 12	01-Jun-21	753,893	-	251,299	-	502,594	502,594	-	0.67
Grant 13	30-Jul-21	2,035,977	-	1,983,522	52,455	-	-	-	-
Grant 14	05-Jul-21	70,500	-	35,250	-	35,250	35,250	-	2.27
Grant 15	30-Jul-21	-	-	-	-	-	-	-	-
Grant 16	05-Feb-22	503,805	-	-	191,612	312,193	312,193	-	1.32
Grant 17	07-Feb-22	666,590	-	253,524	-	413,066	413,066	-	1.33
Grant 18	30-May-22	1,046,273	-	133,647	107,906	804,720	804,720	-	0.70
Grant 19	30-May-22	4,277,300	-	196,380	558,202	3,522,718	3,522,718	-	0.16
Grant 20	30-May-22	252,447	-	26,574	-	225,873	225,873	-	1.64
Grant 21	31-Oct-22	1,007,829	-	82,762	-	925,067	925,067	-	1.70
Grant 22	20-Dec-22	53,550	-	-	-	53,550	53,550	-	0.72
Grant 23	20-Dec-22	767,345	-	-	-	767,345	767,345	-	1.61
Grant 24	08-Feb-23	-	-	-	-	-	-	-	-
Grant 25	05-May-23	4,535,955	-	546,190	-	3,989,765	3,989,765	-	1.10
Grant 26	05-May-23	1,236,359	-	112,403	-	1,123,956	734,755	389,201	2.08
Grant 27	18-Aug-23	1,005,430	-	147,730	-	857,700	857,700	-	1.38
Grant 28	12-Jun-24	6,385,090	-	726,632	-	5,658,458	5,658,458	-	2.20
Grant 29	12-Jun-24	1,298,514	-	283,751	-	1,014,763	232,596	782,167	3.33
Grant 30	23-Oct-24	77,800	-	-	-	77,800	77,800	-	2.57
Grant 31	21-Dec-24	831,655	-	-	-	831,655	334,476	497,179	3.60
Grant 32	29-Apr-25	-	1,587,475	-	-	1,587,475	-	1,587,475	4.39
Grant 33	29-Apr-25	-	35,000	-	-	35,000	-	35,000	3.08
Grant 34	17-Jun-25	-	7,012,300	342,010	-	6,670,290	-	6,670,290	3.22
Grant 35	17-Jun-25	-	785,630	-	-	785,630	-	785,630	4.10
Grant 36	26-Sep-25	-	100,000	-	-	100,000	-	100,000	3.49

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

As on March 31, 2025

Particulars	Date of Grant	Outstanding Options as at April 1, 2024	Options granted during the Year	Options Forfeited / Lapsed / (revoked)	Options Exercised	Outstanding options as at March 31, 2025	Vested	Yet to vest	Weighted Average of the remaining maturity (in years)
Grant 1	22-Nov -19 & 08-Dec-19	349,986	-	46,104	246,338	57,544	57,544	-	0.67
Grant 2	12-Dec-19	270,000	-	-	270,000	-	-	-	-
Grant 3	29-Jan-20	645,803	-	231,462	414,341	-	-	-	-
Grant 4	24-Mar-20	220,850	-	7,050	86,900	126,900	126,900	-	1.50
Grant 5	26-Sep-20	573,255	-	99,885	473,370	-	-	-	-
Grant 6	15-Feb-21	-	-	-	-	-	-	-	-
Grant 7	15-Feb-21	18,114	-	-	18,114	-	-	-	-
Grant 8	15-Feb-21	246,900	-	72,300	-	174,600	174,600	-	1.38
Grant 9	15-Feb-21	140,000	-	100,000	40,000	-	-	-	-
Grant 10	22-Mar-21	1,931,800	-	1,085,999	698,656	147,145	147,145	-	-
Grant 11	22-Mar-21	559,950	-	14,550	67,500	477,900	477,900	-	1.72
Grant 12	01-Jun-21	781,815	-	27,922	-	753,893	753,893	-	1.17
Grant 13	30-Jul-21	2,703,445	-	180,080	487,388	2,035,977	2,035,977	-	0.33
Grant 14	05-Jul-21	165,675	-	10,575	84,600	70,500	-	70,500	3.27
Grant 15	30-Jul-21	-	-	-	-	-	-	-	-
Grant 16	05-Feb-22	503,805	-	-	-	503,805	503,805	-	1.76
Grant 17	07-Feb-22	666,590	-	-	-	666,590	666,590	-	1.77
Grant 18	30-May-22	1,827,607	-	538,289	243,045	1,046,273	1,046,273	-	1.69
Grant 19	30-May-22	5,851,994	-	238,795	1,335,899	4,277,300	4,277,300	-	1.16
Grant 20	30-May-22	282,342	-	29,895	-	252,447	119,580	132,867	2.69
Grant 21	31-Oct-22	1,324,858	-	92,328	224,701	1,007,829	594,015	413,814	2.78
Grant 22	20-Dec-22	42,840	-	(10,710)	-	53,550	53,550	-	1.72
Grant 23	20-Dec-22	767,345	-	-	-	767,345	549,099	218,246	2.61
Grant 24	08-Feb-23	-	-	-	-	-	-	-	-
Grant 25	05-May-23	5,124,075	-	319,230	268,890	4,535,955	4,535,955	-	2.10
Grant 26	05-May-23	2,202,566	-	966,207	-	1,236,359	409,142	827,217	3.08
Grant 27	18-Aug-23	1,138,570	-	117,740	15,400	1,005,430	1,005,430	-	2.38
Grant 28	12-Jun-24	-	6,827,866	442,776	-	6,385,090	-	6,385,090	3.20
Grant 29	12-Jun-24	-	1,991,790	693,276	-	1,298,514	-	1,298,514	4.08
Grant 30	23-Oct-24	-	77,800	-	-	77,800	-	77,800	3.57
Grant 31	21-Dec-24	-	831,655	-	-	831,655	-	831,655	4.60

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

b) 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	-	-	-
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	-	-	-

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(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 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	-
Grant 32	29-Apr-25	5.97% to 6.14%	2.50 yrs to 5.50 yrs	35.16% to 38.18%	1.49%	66.97	17.07	20.27	24.25	26.59
Grant 33	29-Apr-25	5.97%	2.50 yrs	35.17%	1.49%	66.97	17.07	-	-	-
Grant 34	17-Jun-25	5.74%	2.50 yrs	34.42%	1.48%	67.51	16.78	-	-	-
Grant 35	17-Jun-25	5.74% to 5.93%	2.50 yrs to 4.50 yrs	34.42% to 37.70%	1.48%	67.51	16.78	20.33	24.11	-
Grant 36	26-Sep-25	5.85%	2.50 yrs	32.83%	0.00%	57.19	15.23	-	-	-

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.

c) 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.

Schedule 18 - Notes forming part of the financial statements for the year ended March 31, 2026 (Contd.)

(All amounts in Crore of ₹, unless otherwise specified)

d) Movement of options outstanding under ESOP

Particulars	March 31, 2026		March 31, 2025	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	27,790,401	70.67	28,340,185	57.35
Granted during the period	9,520,405	67.31	9,729,111	95.01
Exercised during the year	1,180,639	48.28	4,975,142	46.80
Expired during the year	5,277,149	69.92	5,303,753	66.56
Outstanding at the end of the year	30,853,018	70.62	27,790,401	70.67
Options exercisable at the end of the year	20,006,076	71.14	17,534,698	59.70

e) Weighted average fair value of options granted during the years ended March 31, 2026 and March 31, 2025 are as follows.

Particulars	March 31, 2026	March 31, 2025
Weighted average fair value of options granted during the year (in ₹)	17.94	27.62

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, 2026

For **Suri & Co,**
Chartered Accountants
Firm Registration No.: 004283S

Sanjeev Aditya M
Partner
Membership No: 229694
Place: Chennai
Date: April 30, 2026

For Equitas Small Finance Bank Limited

Anil Kumar Sharma
Part time Chairman and Independent Director
DIN:08537123
Place: Chennai
Date: April 30, 2026

Vasudevan PN
Managing Director and Chief Executive Officer
DIN:01550885
Place: Chennai
Date: April 30, 2026

Balaji Nuthalapadi
Executive Director
DIN:08198456
Place: Chennai
Date: April 30, 2026

N Sridharan
Chief Financial Officer
Place: Chennai
Date: April 30, 2026

Ramanathan N
Company Secretary
M.No:28366
Place: Chennai
Date: April 30, 2026

NOTES

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