

August 29, 2023

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

Dear Sir

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Summary of Proceedings of the Seventh Annual General Meeting ('AGM') of Equitas Small Finance Bank Limited ('the Bank')

In continuation to our intimation dated August 02,2023 and pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the summary of proceedings of the Seventh AGM of the Bank held today at 16:30 Hours (IST) through Video- Conferencing (VC))/ Other Audio Visual Means (OAVM) in compliance with the General Circular No. 10/2022 dated 28th December, 2022 read with General Circular No. 20/2020 dated 5th May, 2020 and other relevant circulars issued by the Ministry of Corporate Affairs (MCA), circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by Securities & Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act 2013, ('the Act') and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to transact the businesses mentioned in the Notice dated June 14, 2023.

The AGM commenced at 16:30 Hours and concluded at 17:30 Hours.

In this regard, please find enclosed the following:

- (1) Summary of proceedings of the Annual General Meeting as required under Regulation 30, Part-A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as Annexure - I.
- (2) Chairman and MD & CEO's speech as Annexure - II.

This is for your information and records.

Thanking You,

Yours faithfully,

For Equitas Small Finance Bank Limited

N Ramanathan
Company Secretary
Encl: a/a



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ANNEXURE - I : DETAILS OF THE PROCEEDINGS OF THE MEETING		
S. No.	Particulars	Details
1	Date of the AGM	Tuesday, August 29, 2023
2	Total number of shareholders as of cut-off date i.e. August 22, 2023	3,53,967
3	No. of Shareholders who attended the Meeting through Video Conferencing: <ul style="list-style-type: none"> • Promoters and Promoter Group: • Public: 	NA 135

Summary of Proceedings of the Seventh Annual General Meeting of Equitas Small Finance Bank Limited held on August 29, 2023 at 16:30 Hours

The Seventh Annual General Meeting (AGM) of the Members of Equitas Small Finance Bank Limited (Bank) was held on Tuesday, August 29, 2023 at 16:30 Hours (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the General Circular No. 10/2022 dated 28th December, 2022 read with General Circular No. 20/2020 dated 5th May, 2020 and other relevant circulars issued by the Ministry of Corporate Affairs (MCA), circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by the Securities & Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act 2013, and the Rules made thereunder and in accordance with the Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”). The proceedings of the AGM were conducted at the Registered Office of the Bank which was the deemed venue of the AGM.

Directors and Key Managerial Personnel present through VC

1. Mr. Arun Ramanathan, Independent Director and Chairman of the Board (From Warwickshire, England)
2. Mr. Arun Kumar Verma, Independent Director and Chairman of Audit Committee of the Board. (From Bhubaneshwar, India)
3. Mr. Vinod Kumar Sharma, Independent Director and the Chairman of the Risk Management Committee of the Board. (From Pune, India)
4. Prof. Balakrishnan N, Independent Director and the Chairman of IT Strategy Committee and Outsourcing Committee. (From Bengaluru, India)
5. Mr. Navin Puri, is an Independent Director and the Chairman of Business Committee and Customer Service Committee of the Board. (From Mumbai, India)
6. Mr. Srinivasan N, is an Independent Director and the Chairman of Nomination and Remuneration Committee of the Board, Special Committee for monitoring High value frauds and Committee for review of High Value Stressed Assets. (From Pune, India)

7. Mr. Ramesh Rangan, Independent Director and the Chairman of Credit Committee of the Board. (From Chennai, India)
8. Prof Samir Kumar Barua is an Independent Director and the Chairman of Policy Formulation Committee. (From Goa, India)
9. Ms. Geeta Dutta Goel is an Independent Director and the Chairman of Stakeholders' Relationship Committee and CSR Committee of the Board. (From Delhi, India)
10. Mr. P N Vasudevan, MD & CEO is also the Chairman of Review Committee for identification of wilful defaulters. (From the Registered Office, Chennai, India)
11. Mr. N. Sridharan, Chief Financial Officer (CFO) (From the Registered Office, Chennai, India)
12. Mr. N Ramanathan, Company Secretary (CS) & Compliance Officer (From the Registered Office, Chennai, India)

Other Representatives present through VC

1. Mr. Sheshu Samudrala, representing M/s. T. R. Chadha & Co LLP, Chartered Accountants, Joint Statutory Auditor
2. Mr. Prasanna Varma, representing M/s. Varma & Varma, Chartered Accountants, Joint Statutory Auditor
3. Mr. G N Ramaswami & Mr. Sivaraman V , representing M/s. ASA & Associates LLP, Chartered Accountants, Proposed Joint Statutory Auditor
4. CS Dr. B Ravi & Associates representing M/s. B Ravi & Associates, Scrutinizer for the AGM e-voting process and the Secretarial Auditor

A total of 135 Members attended the AGM which includes the Managing Director & Chief Executive Officer and the Chief Financial Officer. The meeting commenced at 16:30 Hours.

CS welcomed the Members and informed Mr. Arun Ramanathan, Chairman that sufficient quorum was present.

Accordingly Chairman declared that the meeting was properly constituted and called the meeting to order.

Mr. Arun Ramanathan, Chairman welcomed the Members to the Seventh Annual General Meeting of "Equitas Small Finance Bank Limited" and then introduced the Directors and Key Managerial Personnel present at the AGM.

Chairman acknowledged the participation of the Joint Statutory Auditors, M/s. T. R. Chadha & Co LLP, Chartered Accountants, M/s. Varma & Varma, Chartered Accountants and M/s. ASA & Associates LLP, Chartered Accountants (Proposed Joint Statutory Auditor) and the Secretarial Auditor, M/s. B Ravi & Associates.



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CS informed that the Statutory Registers and other requisite documents were available for inspection by Members electronically during the Meeting. He also informed that the proceedings were video recorded.

Chairman informed that the Notice of the Seventh AGM and Annual Report along with the unqualified report of the Joint Statutory Auditors for the FY 2022-23 were duly sent to all the Members through electronic means and were made available at the website of the Bank.

Further, with the permission of the Members present, the Notice convening the 7th AGM was taken as read.

Chairman then delivered his speech briefing the Members about key issues. Chairman then invited Mr. P N Vasudevan, MD& CEO of the Bank to address the Members. Mr. P N Vasudevan, MD & CEO then addressed the Members. Chairman apprised that necessary responses has been provided by the Bank for the queries received through e-mail. Followed by this, on the invitation of Chairman, the Members who had registered themselves as speaker shareholders expressed their views and raised certain queries, which were responded by the MD&CEO.

Chairman informed that pursuant to Section 108 of the Companies Act, 2013 read with the relevant Rules made thereunder, Regulation 44 of SEBI (LODR) Regulations, 2015 and SS-II, the Bank had provided the facility of remote e-voting to the Shareholders, which commenced on Saturday, August 26, 2023 (09:00 Hours IST) and concluded on Monday, August 28, 2023 (17:00 Hours IST), to cast their votes on the below mentioned items of business as proposed in the Notice of Seventh AGM placed before the Members. He also informed that the option to vote at the AGM was made available for the Members who have not cast their votes through remote e-voting.

Item No.	Particulars of Resolution	Type of resolution (Ordinary/ Special)
1	To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended 31 st March 2023 and the reports of the Board of Directors and the Auditors thereon	Ordinary
2	To appoint a Director in place of Mr. Vasudevan P N (DIN: 01550885), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary
3	To declare Dividend on Equity Shares for the Financial Year 2022-23	Ordinary
4	To appoint M/s. A S A & Associates LLP, Chartered Accountants (Firm Registration Number : 009571N /N500006) as one of the Joint Statutory Auditors of the Bank	Ordinary

5	Fixing of remuneration of Joint Statutory Auditors for the audit of Bank's financial statements for the financial year 2023-24	Ordinary
6	Re-appointment of Mr. Vasudevan P N (DIN: 01550885) as Managing Director & Chief Executive Officer	Ordinary
7	Fixing Remuneration payable to Mr. Vasudevan P N, (DIN: 01550885) as the Managing Director & Chief Executive Officer	Ordinary
8	Approval of Borrowing limits	Special

Chairman informed that M/s B Ravi & Associates, Practicing Company Secretaries represented by its Managing Partner, CS Dr. B Ravi has been appointed as the Scrutinizer for the e-voting process.

He further informed that based on the Scrutinizer's report to be received, the results of the e-voting process will be announced to the stock exchanges and will also be made available in the Bank's website <https://ir.equitasbank.com/shareholder-services/> within the regulatory timelines provided.

MD & CEO delivered the vote of thanks and the Chairman concluded the meeting.

The Meeting concluded at 17:30 Hours.

For Equitas Small Finance Bank Limited

N Ramanathan
Company Secretary

Encl :a/a

Chairman Speech



Ladies and Gentlemen,

May I, at start, warmly welcome your all to the Seventh Annual General meeting of Equitas Small Finance Bank Ltd.

2. Time has added one more year to the past and FY 2023 was an eventful one. Advanced economies grappled with a plethora of challenges such as escalation in geopolitical conflict, constrained supply chains, surge in fuel prices, historically high inflation, and instability in the banking system. While there are pockets of resilience, the slowdown of momentum is apparent. The IEA has recently scaled down the earlier projected oil demand for 2023 by 220000 barrels a day citing challenging economic conditions. According to the UN, the number of countries facing high external debts has risen to fifty-nine with the share of private creditors growing. India was not insulated from inflationary and other pressures but the focus of Government of India on infrastructure-led growth, the balanced policy on import sourcing, and the Central Bank's proactive stance were bulwarks and enabled a cheering GDP growth of over 7%. As we course through FY24, the Indian economy remains stable with improved corporate balance sheets and well-capitalised banks. At the end of the first quarter, 25% of the planned Capex of Rs 10 trillion of GOI for FY 24 is reported to have been achieved. Net direct tax collections in the same period have risen by over 15%.



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3. But the skies ahead are never clear blue and apart from other ongoing global and domestic worries, we have now before us the uneven spread of monsoon in parts of many large States. The World Meteorological Organisation (WMO)'s report of July has already declared 2023 to be an El Nino year with 90% probability. The potential knock-on effect on the rural economy can be assessed only by early September. Yet, the unanticipated perturbations of the recent past have probably informed us that policies and actions of the future may work better if foresight and initiative are tempered with an understanding of the consequences of failure.

4. In my address I will attempt to summarily cover the Bank's performance in FY23, certain signal happenings in the Bank, some tentative thoughts on the future and mention before conclusion, our CSR initiatives.

5. During FY23, the environment turned favourable, largely due to the rebound in the economy as the trauma of covid receded. ESFBs disbursements, collections, asset quality indicators, deposits, traction for newer products and Brand visibility improved sharply with most of the performance metrics returning to pre-covid levels.

6. Advances rose by 36% to Rs.27,861 Crore and deposits by 35% to Rs.25,381 Crore in FY23 as compared to FY22. Small business loans (SBL) continued to grow at a rapid pace, with gross advances crossing



₹10,000 crore. Asset quality improved significantly, with GNPA on Gross Advances falling from 4.06% in FY22 to 2.60% and NNPA from 2.37% to 1.14%. Thanks to the Bank's consistent conservative stance on provisions, the provision coverage ratio (PCR) stood at 56.90% at the end of FY23 and your Bank remains well capitalised to fuel the next phase of the growth journey with CRAR at 23.8%, well above the regulatory requirement of 15%. Cost of funds was contained at 6.38%, despite the series of policy rate hikes by RBI.

7. In the coming years, the Bank plans building its consumer finance portfolio by foraying into personal loans during FY '24 and credit cards in FY '25, which will also further lower our centre of gravity through a diversified loan portfolio. Additionally, with the obtaining of the AD-1 license the Bank will work on offerings like forex cards, FCNR deposits, remittance etc.

8. There have been two signal events in the Bank, both positive, and worthy of mention. First, the process of reverse merger of Equitas Holdings with the Bank has been completed. Apart from ending the anomaly of having two listed Companies with almost the same asset base, the merger has cleared the decks for Equitas Small Finance Bank to apply for a Universal Bank Licence once the guidelines for the same are issued by the Regulator. However, whatever be our nomenclature, our focus towards the unbanked and underbanked will remain immutable. Equitas Bank targets to remain an inclusive, profitable all-weather edifice and fully understands that creation of value is more relational than transactional.



For us real rewards have always occupied the space beyond comforting the comfortable.

9. Next, it may be recalled that Mr Vasudevan MD &CEO had earlier expressed his desire to move on to engage in philanthropic work. This would have created a discontinuity in leadership and turbulence in your young and evolving institution. The Board was able to persuade him to stay on. His tenure has been recently extended by the RBI for a further period of 3 years ending July 22nd, 2026, and I firmly believe this augurs well for ESFB.

10. Future coordinates in a VUCA environment lie in a probability cloud. Yet, as Steve Jobs once said, enterprise management is like ice hockey – you must go to not where the puck is but to where it is likely to be.

11. If asked what the attributes are we have and need to hone to be on or ahead of the curve, I would list a few. Foremost, would be prudent investments in people, processes, and technology. These investments play a pivotal role in the journey towards managing seamless and efficient customer welfare with inclusive development and last mile delivery.

11.1 I would rank next, the Banks management of its portfolio. In 2016 when ESFB came into being, our unsecured loan portfolio was 53%. Today it stands at 19%. Our skills in appraising small business loan applications are among the best in Industry and as of now against the RBI mandate to



SFBs to ensure that at least 50% of the advances given by the Bank are of value less than Rs 25 lakhs, Equitas stands at about 83%. Except in the immediate wake of demonetisation and Covid, Equitas loan portfolio over the last 15 years (both as NBFC and Bank), has never been under stress, despite multiple economic slowdowns during these years. We also have an unbroken record of declaring a positive bottom line despite conservative provisions.

11.2 Next, the Bank remains fairly insulated from global headwinds, rising inflation, currency depreciation etc as its customers are from the informal economy. With the present perking up of the Indian economy the demand for credit from underbanked sectors is witnessing a sharp acceleration and the large untapped potential at the base of the pyramid remains before us, providing niche space for growth. Optimisation in the use of funds lies in moving money as opportunities arise, from areas where it is overpriced to where it is underpriced.

12. While these are the areas where strengths exist and need enhancement, one cannot be oblivious to the low-pressure areas where challenges best not understated, lie before us. In my view these are three in number.

12.1 The first is competition. We are now witnessing, how to meet the credit appetite, every Bank is competing for all cohorts of depositors. This is catching on in assets and feeders at every level are entering all ponds.



12.2 The next is that technology has to be where the puck will be or estimated to be. It means it must be perpetually on the stretch, that resources for creating the same must be up to speed and intelligence should not be invested in areas where illusions beckon.

12.3 The third is the turnover one is seeing across the sector particularly at the front office levels. This implies the Bank has to price the cost of the same over a benchmark and evolve systems to contain it with innovations in incentives and evolving process and technological solutions to mitigate the same.

13. We are aware that unless an organisation is mindful of lurking challenges and responds effectively on time, it risks the hazard of going into a slow crumble. Over 23 centuries ago Chanakya is said to have written –time alone perfects and time alone kills –it alone is awake when everyone is asleep. A sobering thought, indeed.

14. Let me now turn to the CSR activities of the Bank. Staying true to the founding vision of Equitas, our focused interventions across chosen areas of health care, education, training, rehabilitation have made a meaningful difference cumulatively to the lives and livelihoods of over six million persons by end FY23. In FY23 alone, (Equitas Development Initiatives Trust) EDIT covered 1.5 lakh beneficiaries in eye camps and screened over 2.4 Lakhs persons in health camps. This apart over six lakh women received skill training for supplementing their income and over one



thousand pavement dwellers were rehabilitated. Under the Equitas Healthcare Trust, the project to set up a one hundred bed and multi speciality cancer hospital is well under way and is targeted to be fully functional this year.

14.1 Our eight Equitas Gurukul schools with a current strength of over 7000 students have mostly pupils from indigent families and there are systems in place to ensure no child's education suffers due to a fee payment gap. The achievements of our boys and girls in the Board examinations and extracurricular activities have been a source of great pride for us, next only to their parents. This year Rohit Khanna of Sivakasi, son of a laboratory technician and homemaker has qualified for admission to an IIT/NIT based on his performance in the JEE Advanced. Not to be outdone, T Sarathy of Salem Gurukul, son of a daily wage earner and tailor has qualified for admission in a Government Medical College by creditably clearing NEET. These are happenings which nourish our souls and bolster our sense of purpose.

15. Our committed CSR annual contribution of 5% of eligible profits translates into spends which rival and outpace the actuals of many well-known midcap Companies. In FY 23 Equitas commissioned an independent study by Social Audit Network India to understand how our CSR activities impact those we try to help and what we need to do to improve. This can be found on our website – www.equitasbank.com under the Corporate Social Responsibility section.



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16. Before I conclude, I must compliment Mr Vasudevan MD and CEO of Equitas and all the officers and staff of the Bank for handling the challenges and opportunities that came by and delivered the best possible outcomes. I thank my fellow Directors for their focussed guidance and unstinted dedication. I am grateful to all stakeholders for support, and encouragement. Thank you all for the trust you repose in us: the Bank will try its utmost to continue to merit the same in future.

17. Finally I need mention that my tenure as the Chairman of the Bank ends in April next year. It has been a pleasant and educative experience for me right from 2012, when I came in as the Chairman of the Equitas Microfinance Company and stayed on to bask in the warmth of my relationship with Vasu and all in the Bank to name whom will be to read a formidable list.

18. I am grateful to all of you and wish you all every happiness in life and every satisfaction in work as the future unravels.

Jai Hind

Arun Ramanathan
Chairman



Address by the Managing Director

Good evening to all of you

Thank you for taking time out to be present with us today

I thank the Chairman for providing us a broad overview of the economy and the Bank's performance along with a few long term initiatives and important milestones crossed during the year.

I would like to talk to you on what we have been trying to build and how we see the Bank evolving in the next few years to come.

Over the past decade and half, our focus was to build an organisation that is Stable, Sustainable and Scalable. The focus has been and will remain inclusion of the un-banked and under-banked segments of the population through a wide range of products and services designed for their needs.

In terms of stability, the Bank's lending portfolio comprises of a range of products spread across business loans for small businessmen, vehicle finance, affordable housing finance, micro finance and micro enterprise funding. Over 80% of the portfolio is secured in nature. Our portfolio of Small Business Loans, secured against house property, has crossed Rs. 10,000 Crores and we continue to be one of the large players in this space. To further augment our range of products, we have also introduced an over draft product for these tiny merchants to meet their working capital needs.

Vehicle finance portfolio has expanded its scope from the initial funding for used commercial vehicles to include new commercial vehicles and car finance.

Equitas has built stability not only on lending but also on liabilities side also. The Bank's singular focus on retail deposits has ensured our CASA ratio remains healthy and our term deposits are largely from individuals. We provide a range of products and services to our depositors and hope to be a banker of choice for them.

On building a Sustainable foundation, the Bank relies on its governance standards and business practices to ensure the long term interests are given utmost priority. Despite operating in a largely untapped and under penetrated segment, we calibrate our growth to ensure business is sustainable. Many of our processes have gone paperless helping sustainable environment in our small way.

Lastly on Scalability, Equitas has consciously ensured it operates in products that are scalable. All our product segments be it Small business loans, Vehicle loans, Affordable housing, micro finance and loans to MSEs present a large opportunity to the bank to grow and emerge as a bank of significant size and enabling financial inclusion in a meaningful manner.

Technology deployment at scale is an important element of scalability. We have launched a few projects aimed at revamping our Internet and Mobile App, CRM system, Enterprise Data Warehouse etc to build a strong digital base. With the proliferation of smart phones and adoption of digital payment solutions by our borrowers even in semi urban and rural geographies, we are launching a customer app targeted at our borrowers to make their interaction with the bank easy and frictionless accessing loans and services at the click of a few buttons.

On behalf of the management, I remain committed to our Vision of 'Creating the Most Valuable Bank for all stakeholders through Happy Employees'.

We remain thankful to our customers, shareholders, employees and all other stakeholders for their continued support to the Bank and look forward to meeting your aspirations sustainable.

Thank you.

P N Vasudevan

Managing Director & Chief Executive Officer