

July 19, 2022

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai - 400051
Scrip Code : 543243	Symbol : EQUITASBNK

Dear Sir/Madam,

Sub: Sixth Annual General Meeting ('AGM') - Proceedings of the meeting

In continuation to our letter dated June 24, 2022, we wish to inform that the Sixth Annual General Meeting ('AGM') of the Members of Equitas Small Finance Bank Limited ('the Bank') was held today, July 19, 2022 at 16.00 Hours (IST) through Video- Conferencing (VC) in compliance with the General Circular 02/2022 dated May 5th, 2022 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular dated May 13th, 2022 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 Obligation and Disclosure Requirement) Regulations, 2015 ('Listing regulations) to transact the businesses mentioned in the Notice dated June 20, 2022.

The AGM commenced at 16.00 Hours and concluded at 16.30 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 sincerely,

For Equitas Small Finance Bank Limited


N Ramanathan
Company Secretary



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Equitas Small Finance Bank Limited
(Previously known as Equitas Finance Limited)

2977509

4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai, Tamil Nadu, India - 600 002

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ANNEXURE - I : DETAILS OF THE PROCEEDINGS OF THE MEETING		
S. No	Particulars	Details
1	Date of the AGM	Tuesday, July 19, 2022
2	Total number of shareholders as of cut-off date i.e. July 12, 2022	1,36,814
3	No. of Shareholders attended the Meeting through Video Conferencing: <ul style="list-style-type: none"> • Promoters and Promoter Group: • Public: 	1 42

Summary Proceedings Of The Sixth Annual General Meeting Of Equitas Small Finance Bank Limited On July 19, 2022 AT 16:00 Hours

The Sixth Annual General Meeting (AGM) of the members of Equitas Small Finance Bank Limited (Bank) was held on Tuesday, July 19, 2022 at 16.00 Hours IST through Video Conferencing (VC) in compliance with the General Circular 02/2022 dated May 05th, 2022 issued by the Ministry of Corporate Affairs (MCA) and circular dated May 13th, 2022 issued by Securities & Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act 2013, and the Rules made thereunder.

Directors Present Through VC

1. Mr. Arun Ramanathan, Independent Director and Chairman of the Board. (From London, UK)
2. Mr. Arun Kumar Verma, Independent Director and Chairman of Audit Committee of the Board. (From Chennai, India)
3. Prof. N. Balakrishnan, Independent Director and the Chairman of Nomination and Remuneration Committee, IT Strategy Committee, Outsourcing Committee and Customer Service Committee of the Board. (From Bangalore, India)
4. Mr. Navin Puri, Independent Director and the Chairman of Stakeholders and Relationship Committee of the Board. (From Mumbai, India)
5. Mr. Srinivasan N, Independent Director and the Chairman of CSR Committee, Policy Formulation Committee, Business Committee of the Board and Special Committee for monitoring High value frauds. (From Mumbai, India)
6. Mr. Vinod Kumar Sharma, Independent Director and the Chairman of the Risk Management Committee of the Board. (From Pune, India)
7. Prof Samir Kumar Barua, Independent Director (From Ahmedabad, India)
8. Ms. Geeta Dutta Goel, Independent Director.(From Delhi, India)
9. Mr. Ramesh Rangan, Independent Director and Chairman of the Credit Committee (From Chennai, India)
10. Mr P N Vasudevan, MD & CEO (From Chennai, India)



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Other Representatives present through VC

1. Mr. N. Sridharan, Chief Financial Officer (CFO)
2. Mr. N Ramanathan, Company Secretary (CS)
3. Mr. Sheshu Samudrala, representing T. R. Chadha & Co LLP, Chartered Accountants
4. Mr. Arjun Varma, representing Varma & Varma, Chartered Accountants
5. M/s B Ravi & Associates represented by Dr. B. Ravi, Secretarial Auditor

A total of 43 members attended the AGM through VC. The meeting commenced at 16.00 Hours.

CS welcomed the Members and informed the 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 of the Board welcomed the members to the Sixth Annual General Meeting of "Equitas Small Finance Bank Limited" and then introduced the Directors present at the AGM.

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 and that the transcript would be made available at the website of the Company.

Chairman informed that the Notice and Annual Report along with the unqualified report of the statutory Auditors for the FY 2021-22 was sent to all the members through electronic means and were made available at the website of the Bank. Considering this, Chairman announced that the Notice convening the AGM was taken as read.

Chairman then delivered his speech briefing the members about key issues. At the initiation of Chairman, Mr P N Vasudevan, MD & CEO of Equitas Small Finance Bank Limited briefed the members.

Chairman noted that none of the shareholders had registered themselves as speakers for AGM. Queries sent through email has been responded by the Company.

Chairman informed that pursuant to Section 108 of the Companies Act, 2013 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Bank had provided the facility of e-voting, which commenced on Saturday, July 16, 2022 (09:00 Hours IST) and concluded on Monday, July 18, 2022 (17:00 Hours IST), to cast their votes on the below mentioned items of business as proposed in the Notice of Sixth AGM circulated to the members. He also informed that the option to vote at the AGM was made available for the members who did not cast their votes through remote e-voting.



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Item No.	Particulars of Resolution	Type of resolution (Ordinary/Special)
1	To adopt the Audited Financial Statements of the Bank for the Financial Year ended on 31 st March 2022 and the reports of the Board of Directors and the Auditors thereon.	Ordinary
2	To appoint a Director in place of Mr P N Vasudevan (DIN 01550885), who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary
3	Appointment of Prof. Samir Kumar Barua (DIN 00211077) as Independent Director	Special
4	Appointment of Ms. Geeta Dutta Goel (DIN 02277155) as Independent Director	Special
5	Re-appointment of Mr Vasudevan P N (DIN 01550885) as MD & CEO	Special
6	To revise the Remuneration payable to Mr. Vasudevan P N, (DIN 01550885) as the Managing Director & CEO	Special
7	To alter Articles of Association of the Bank	Special
8	Appointment of Mr. Rohit Phadke (DIN: 07293524) as Director	Ordinary
9	Appointment of Mr. Rohit Phadke (DIN: 07293524) as a Whole Time Director of the Bank Designated as Executive Director	Ordinary
10	Approval of Remuneration payable to Mr. Rohit Phadke (DIN: 07293524) as the Whole Time Director	Special
11	Appointment of Mr. Murali Vaidyanathan (DIN: 09594986) as a Director	Ordinary
12	Appointment of Mr. Murali Vaidyanathan (DIN: 09594986) as a Whole Time Director of the Bank Designated as Executive Director	Ordinary
13	Approval of Remuneration payable to Mr. Murali Vaidyanathan (DIN: 09594986) as the Whole Time Director	Special

Chairman informed that M/s B Ravi & Associates, Practicing Company Secretaries represented by its managing partner, Dr. B Ravi was the Scrutinizer for e-voting process at AGM.

He further informed that based on the Scrutinizers report to be received after the e-voting at AGM, the results about passing of resolutions will be announced within two working days to



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the stock exchanges and will also be posted in Bank's website
<https://ir.equitasbank.com/shareholder-services/> .

Chairman delivered the vote of thanks.

The Meeting concluded at 16.30 Hours.

For Equitas Small Finance Bank Limited


N Ramanathan
Company Secretary



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“Equitas Small Finance Bank Limited AGM Speech”

July 19, 2022

SPEECH OF MR. ARUN RAMANATHAN - PART-TIME CHAIRMAN AND NON-EXECUTIVE INDEPENDENT DIRECTOR TO THE SHAREHOLDERS AT THE AGM HELD ON TUESDAY 19TH JULY 2022

Ladies and Gentlemen

1. I am privileged to welcome you all to the Sixth AGM of Equitas Small Finance Bank and the Second after listing of the shares of the Bank. In my communique which you can find in the Annual Report with you, I have informed that the Bank has been able to successfully weather the pounding of the three Covid waves and the massive ripple effects of the same. I believe we have now a Bank with strong foundations that would get stronger as it grows and grows older.
2. In my address I will attempt to cover the macroeconomic environment; some facets of the Bank's trajectory post demonetisation; salient features of the performance in the year under report; and how Equitas through EDIT, the Equitas Development Initiatives Trust, continues to contribute to the community. And in conclusion, our aspirations.
3. I will first take up mention of the macroeconomic environment though most developments therein may not be relevant to us in the Bank. But being informed and wary are becoming indispensable routines in these times to ensure survival and growth.
4. In recent times, the global macroeconomic environment has been witnessing turbulence of an unseen magnitude and frequency. In 2022, so far, according to FactSet at least forty-four countries have raised policy rates, many after a long hiatus - the Swiss National Bank, for example, has raised policy rates after 15 years. Inflation which got a stimulus from rising crude prices in the wake of the conflict in Ukraine, has now spread across the globe to cover most goods and services. Growth in most OECD countries could dip to suboptimal levels.
5. As regards India, surplus liquidity has declined after almost 2 years to below Rs 2 trillion. Supply glut seems arising in the Government bond market. The rupee has been depreciating, stock markets turning volatile, investments from abroad seemingly in a withdrawal mode. Current account deficit stood at about Rs 38 billion in FY22 against a surplus of 24 billion the previous year. In the real economy, one is witnessing a steep rise in cotton prices with knock on effects on the competitiveness of the textile industry which is a large employer. Prolonged coal shortages are hitting power production severely in many states. At the same time, one is also encouraged by a revival of the monsoon with increased sowing activity in most states. The growth of bank credit in India improved to 13.1% (y-o-y) as in June versus just 5.7% a year ago. Despite headwinds the real economy seems as of now, to be relatively stable.

6. Against such a mixed situation, one is led to ask what portends for our Bank. As mentioned earlier, one cannot claim insulation from evolving situations in the real economy; calm waters can turn choppy. However, for your Bank which deals mostly with informal sector clients, increase in lending rates or prices may not have a serious impact due to the better transmissibility of these shifts. Yet in areas where lending interest rates matter, the Bank will need to assess its relative competitiveness and be prepared to take necessary steps. This it will

7. It is appropriate at this stage, to mention the trajectory of the Bank since 2018. Between 2018 and 2022, the balance sheet of the Bank and net worth have more than doubled. Deposits rose over 330%, advances around 250% and customer base increased 230%. The gradient has not been unsatisfactory considering the shocks which came in between and the environmental impediments to the build-up process. In these years we have taken care to control costs, diversify and derisk by increasing our secured asset portfolio and expand on the learnings in optimisation and process innovation which working in a Covid environment forced upon us. I will now turn to the performance of the Bank in FY 22 and briefly indicate the highlights.

8. FY '22 turned out to be tougher than the previous year given the severity and intensity of the second wave of Covid. RBI came out with the option of restructuring stressed loans against the facility of moratorium offered during the first wave. While the latter involved a shift of the string of repayments by the period of moratorium offered, restructuring is more stringent and mandates some provisioning for the loans restructured. As the second wave significantly impacted borrowers in terms of their health and income earning capacity, the Bank had to use the restructuring option with empathy and prudence. As of 31st March 2022, the outstanding restructured pool stood at about Rs. 1,500 crore involving 1,69,450 loan accounts. Consequently, compared to FY 21, the Bank's performance in FY 22 was subdued in terms of ROE, ROA, NNPA and Net Profit. The cost-to-income ratio rose to 66.2% compared to 59.9% in the earlier year. Total provisions and contingencies were at Rs. 493.84 crore, compared to Rs. 375.32 crore of FY21.

9. Despite the challenges, the Bank stayed the course on its strategy to reduce the ratio of unsecured to overall advances. Unsecured portfolio fell to 18.70% of the overall portfolio and growth of gross advances was 15% YoY. On a granular basis, small business loans continue to do well, growing 19% YoY and new commercial vehicle financing, which the Bank commenced a couple of years ago, is also doing well and grew by 19% YoY. Newly introduced products like used car and affordable housing loans also saw a heartening uptick. The Bank's consistent focus on growing its deposit franchise using digital tools and its ability to raise deposits have enabled it to compete effectively and grow the deposit base by 16% YoY to Rs. 18,951 crore. CASA deposits stood at Rs. 9,855 crore, up 76% YoY, accounting for 52% of total deposits. The robust performance of the liability franchise helped to bring down cost of funds to 6.58% from 7.34% in the preceding year. Asset quality remained comfortable with Gross Non-Performing Assets (GNPA) at 4.06%

and Net NPA (NNPA) at 2.37%. Despite the earnings in the first two quarters being impacted, ESFB exited FY22 recording the highest ever quarterly disbursement of loans during the fourth quarter on the back of receding restrictions and revival of the economy.

10. All said, the Bank remains well capitalised with total CRAR at 25.16% as against the regulatory minimum need of 15%. *Ceteris paribus*, we expect all indicators to exceed FY22 levels in FY23 on a larger base.

11. You are all perhaps aware that the Bank has been working towards another watershed event, namely the merger of the Holding Company Equitas Holdings with ESFB. As of now, the Scheme of Amalgamation after approval by both the Boards of Equitas Small Finance Bank and Equitas Holdings has received the required NOCs from the Regulators and has been filed with NCLT for appropriate orders for convening shareholder and creditor meetings. There is work ahead in engaging further with Regulators and Statutory authorities. It will be our effort to take the matter to a logical conclusion by the end of this financial year. The completion of this process will make ESFB eligible to apply to RBI for upgradation to a Universal Bank.

12. Last year I had mentioned that one of the tenets of Buddhism is that an individual evolves as his circle of compassion grows. In Equitas we believe that an organisation which internalises this philosophy could profit in many tangible and intangible ways. The Bank continues to stay true to its mission of helping the under-privileged improve their quality of life through a holistic approach. Equitas Development Initiatives Trust (EDIT) through its eight English-medium schools in Tamil Nadu, imparts high quality holistic education to about 5,700 children most of whom are first generation learners. Our support systems ensure fee deficits of poor children are bridged, infrastructure is high grade, teaching staff are competent and dedicated and 100% pass in Board examinations. It is heartening for us to see Gurukul students who are for example, children of milk vendors, artisans and agricultural wage earners do spectacularly well in academics and extracurricular activities.

13. Our regular programs have restarted again post the pandemic. During the year our medical camps, skill training programmes and job fairs benefited respectively over 61,500, 21,000 and 25,000 persons. On a cumulative basis since the formation of ESFB these numbers are over 6.4 million, 5.8 lakhs and 2.2 lakhs respectively. While these have been piloted by EDIT, Equitas Healthcare Foundation has been silently working on the setting up of a greenfield hospital estimated to cost over Rs 75 cr with the support of ESFB, Sringeri Mutt, TATA Memorial Hospital and donors. This facility will provide affordable treatment to the poor with focus on oncology. Equitas hopes to commission the hospital by end 2023.

14. Equitas is also proud to be able to say that in the worst phases of the pandemic, it partnered with some state governments/local bodies, and leveraging its grassroot client

base, organised about 50 lakh vaccinations. It is worth recalling at this point that *Equitas* has been a pathfinder in allocation of a part of its profits to community welfare well before the statutory prescriptions were conceived, drafted and mandated.

15. At this stage, I need to mention that much of what abides today which gives us boasting rights rests on the hard work, exemplary leadership and innate drive to do good which characterises our MD and CEO Shri Vasudevan. He will be with *Equitas* as MD and CEO till the Governance systems of the Bank locates a successor to whom he can pass on the baton. This will take time. He then intends to move on to fulfil a higher purpose in life, namely to set up systems to identify and help over time hundreds of infants to overcome their development deficiencies through quality medical treatment and therapy. May our best wishes and God's Grace be with him as he ferries hope and help to those deserving and disadvantaged by fate and circumstances.

16. It may be appropriate in conclusion to answer the question "What then are our aspirations for the future?" Stated simply, we would like *Equitas* Small Finance Bank to grow into an institution of great value to all stakeholders. A Bank which is a model of good governance, whose shares retail investors would be enthusiastic to buy and hold, a fair and empathetic pillar of financial inclusion working for the disadvantaged among the borrowers, a technology powerhouse at the digital wave front to deliver matchless customer service and experience, an organisation where courtesy and customer concern is the hallmark of all its touchpoints, and a workplace which is as proud of its 17,600 plus employees as they are of it.

17. We are aware that this will take years of hard work and an abundance of idealism to see us through. And most importantly, that it would be impossible to move towards our aspired destiny without the goodwill and support of you all - which I fervently hope we would continue to merit.

Jai Hind.

SPEECH OF MR. P N VASUDEVAN - MANAGING DIRECTOR AND CEO TO THE SHAREHOLDERS AT THE AGM HELD ON TUESDAY 19TH JULY 2022

Good Evening to all of you.

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

The Chairman has given a broad overview of the macro economic trends and performance of the Bank during the preceding year. He also touched upon the governance standards and the social focus of the bank.

I would like to give you a more granular idea of the operations of the bank and it's potential.

Through a conscious strategy and strong execution, we have been able to transform the lending portfolio of the bank into a very stable one over the past 5 years. When we became a bank in 2016, our secured assets was only around 47% which, today, has increased to around 82%.

Just before becoming a bank in 2016, we were an A rated NBFC and our cost of funds was around 10.5%. As soon as we became a bank, our cost of funds which includes the interest cost on deposits, the cost of raising the deposits and the cost of reserve ratios we maintain as a bank, went up as high as 13%. Over the last 5 years, this has reduced to about 9.5%, which makes our cost of funds in line with A rated NBFCs. Over the next 3 years we expect this cost to go further down to match the cost of funds of a AAA rated NBFC. And over a period of 5-7 years, we expect our cost of funds to go further down and narrow the gap between our cost of funds and that of the larger banks.

As you know, Equitas is focused strongly on the informal economy borrowers. The unmet demand in this segment remains very high and your bank has built strong capabilities to be able to lend to this segment and collect it back. This is the moat that we have created over the past 15 years.

As we go through the trajectory of reducing cost of funds, this would enable us to offer more competitive pricing to our borrowers, further cementing our relationship with our borrowers and ensuring we remain the preferred banker to this rather large segment of the population of the country.

Additionally, over the next 5-7 years, the trajectory of reducing cost of funds would also open up more opportunities to the Bank on the lending side, opening up segments that we are currently not able to service.

As we continue to strengthen our lending side, our liability side keeps growing from

strength to strength. Our digital forays have yielded visible business benefits so far and combined with the dedicated team and our physical branch network, our growth in deposits remains robust. Around 85% of our deposits are retail and our CASA ratio of over 50% is amongst the best in the industry.

Combining our strong liability franchise with the moats we have built around our lending operations and new opportunities that we see opening up going forward, we believe that the best period of the bank is ahead of us. We have established a very strong foundation for the bank and our dream of building a stable, sustainable and scalable bank is going in the right direction.

On the digital front, we have embarked on creating a native mobile and internet banking app as well as apps targeted towards specific customer and service segments. By the end of the current financial year we hope to be able to roll out most of these initiatives, further bolstering our digital strength, enhancing customer acquisition and servicing capabilities. As Chairman mentioned, our Beyond Banking initiatives, of creating social impact is helping millions of people improve their quality of life. The deposits that you place with Equitas, not only earns an attractive interest rate for you, but also helps do some good for a deserving person. The Good that you do will come back to you. We encourage all of you to place your deposits with Equitas.

Finally I come to my own transition process. We have our family trust which is doing various activities for public welfare. We want to see how to strengthen the corpus of this trust so that the good that we do, can be done in a sustainable manner. To enable me to spend more time on this, I have requested the Board to look for a successor to me. I will continue to run the bank till my successor takes over. We are looking at a successor who would tick 4 main boxes viz. Alignment to our Values, alignment to our culture, deep understanding of our business model (which is quite unique amongst banks in India) and alignment to our senior management team.

As I mentioned earlier, the next few years are going to be the best years of the Bank given the solid foundation that has been laid. With all continued support and patronage of you, our shareholders, our customers, and the dedication of our 18,000 strong team along with our very capable senior management team, I am confident that in spite of this transition, the Bank would do very well and march strongly towards its mission of being the most valuable bank for all its stakeholders.

Thank you.