

April 24, 2024

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 Sirs

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Outcome of Board meeting held on April 24, 2024

In continuation to our intimation letter dated April 10, 2024 and pursuant to Regulation 30 (read with Part A of Schedule III) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform that the Board of Directors of the Bank ("the Board") at its meeting held today i.e., April 24, 2024 has inter-alia transacted the following items of business:

1. Audited Financial Results for the quarter & financial year ended March 31, 2024

The Board has considered and approved the Audited Financial Results of the Bank for the quarter & financial year ended March 31, 2024 as recommended by the Audit Committee.

Pursuant to Regulation 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following documents are enclosed as **Annexure I**

- Audited Financial Results of the Bank for the quarter & financial year ended March 31, 2024.
- Auditors Report on the aforesaid Audited Financial Results issued by the Joint Statutory Auditors, M/s Varma & Varma, Chartered Accountants and M/s. ASA & Associates LLP, Chartered Accountants, which contain an unmodified opinion.

2. Recommendation of Dividend

The Board has recommended a dividend of Re.1/- per equity share of Rs.10/- each fully paid-up subject to the approval of the Members at the ensuing Annual General Meeting ("AGM") of the Bank. The Record date for the purpose of determining eligibility of Members entitled to receive the dividend shall be intimated later.



BEYOND BANKING

When you bank with us, you contribute towards a better society.

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

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

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3. Completion of tenure of Mr. Arun Ramanathan (DIN: 00308848), Part-time Chairman and Independent Director of the Bank

Mr. Arun Ramanathan will cease to be the Part-time Chairman and Independent Director of the Bank from the close of business hours on April 24, 2024 consequent to the cessation of his term of appointment. The Board places on record its sincere appreciation for the remarkable leadership and contribution by Mr. Arun Ramanathan during his association with the Bank. The details as required under Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated July 13, 2023 is enclosed as **Annexure II**

4. Appointment of Mr. Anil Kumar Sharma (DIN: 08537123) as Additional Director (Independent) and Part-time Chairman of the Bank

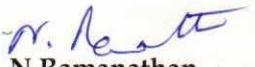
The Board has approved the appointment of Mr. Anil Kumar Sharma (DIN: 08537123) as an Additional Director (Independent) of the Bank for a period of five (5) years with effect from April 25, 2024 until April 24, 2029 (both days inclusive), not liable to retire by rotation, subject to the approval of the Shareholders of the Bank. We also draw your attention to our letter dated April 05, 2024 pertaining to the approval accorded by Reserve Bank of India (RBI) vide its letter bearing reference DoR.GOV.No.S120/29.44.002/2024-25 dated April 04, 2024 for appointment of Mr. Anil Kumar Sharma (DIN: 08537123) as the Part-time Chairman of the Bank. Pursuant to the approval accorded by RBI, Mr. Anil Kumar Sharma (DIN: 08537123) is appointed as Part-time Chairman of the Bank for a period of three (3) years, effective from April 25, 2024. The aforesaid appointment shall be placed before the Shareholders of the Bank for their approval as per the regulatory requirements. In accordance with circular nos. LIST/COMP/14/2018-19 and NSE/CML/2018/02, both dated June 20, 2018, issued by BSE Limited and National Stock Exchange of India Limited, respectively, Mr. Anil Kumar Sharma is not debarred from holding the office of Director of the Bank, by virtue of any SEBI order or any other regulatory / statutory authority. The details as required under Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated July 13, 2023 is enclosed as **Annexure III**.

The Meeting of the Board of Directors of the Bank commenced at 11:05 hours and concluded at 14:10 hours.

Kindly take the above information on record, which will also be available on the Bank's website www.equitasbank.com.

Thanking you,
Yours Faithfully,

For Equitas Small Finance Bank Limited


N Ramanathan
Company Secretary
Encl: a/a



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EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

Regd. Office: 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002

Website: www.equitasbank.com

1. Statement of Audited Financial Results for the quarter and year ended March 31, 2024

(₹ in Lakh)

Particulars	Quarter ended			Year ended	
	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-24	31-Mar-23
	Audited (Refer Note 18)	Unaudited	Audited (Refer Note 18)	Audited	Audited
1 Interest Earned (a)+(b)+(c)	1,44,465.33	1,42,879.65	1,15,572.65	5,48,640.34	4,16,187.81
(a) Interest / discount on advances / bills	1,27,942.54	1,27,448.54	1,04,659.78	4,92,096.26	3,76,472.47
(b) Income on Investments	15,656.09	14,854.48	10,067.56	53,975.29	31,560.94
(c) Interest on balances with Reserve Bank of India and other inter bank funds	866.70	576.63	845.31	2,568.79	8,154.40
2 Other Income	24,045.48	20,547.55	23,869.23	79,867.06	66,958.57
3 Total Income (1)+(2)	1,68,510.81	1,63,427.20	1,39,441.88	6,28,507.40	4,83,146.38
4 Interest Expended	65,876.15	64,365.36	44,876.69	2,40,664.28	1,61,715.39
5 Operating Expenses (i)+(ii)	65,159.43	63,031.23	55,926.27	2,50,106.68	2,03,830.24
(i) Employees Cost	36,339.56	34,604.76	30,392.21	1,36,883.00	1,09,667.60
(ii) Other Operating Expenses	28,819.87	28,426.47	25,534.06	1,13,223.68	94,162.64
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	1,31,035.58	1,27,396.59	1,00,802.96	4,90,770.96	3,65,545.63
7 Operating Profit before Provisions & Contingencies (3)-(6)	37,475.23	36,030.61	38,638.92	1,37,736.44	1,17,600.75
8 Provisions (other than tax) and Contingencies	10,659.89	8,438.02	12,560.27	31,423.97	40,720.35
9 Exceptional Items	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	26,815.34	27,592.59	26,078.65	1,06,312.47	76,880.40
11 Tax Expense	6,053.26	7,392.51	7,074.88	26,416.45	19,521.35
12 Net Profit from Ordinary Activities after tax (10)-(11)	20,762.08	20,200.08	19,003.77	79,896.02	57,359.05
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	20,762.08	20,200.08	19,003.77	79,896.02	57,359.05
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,13,488.73	1,13,145.27	1,11,055.82	1,13,488.73	1,11,055.82
16 Reserves excluding Revaluation Reserves				4,83,381.46	4,04,738.95
17 Analytical Ratios and other disclosures:					
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (%) - Basel-II (Refer note 8)	21.70%	20.24%	23.80%	21.70%	23.80%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)					
- Basic EPS (₹) before & after extraordinary items (net of tax expense) *	1.83	1.79	1.71	7.12	4.71
- Diluted EPS (₹) before & after extraordinary items (net of tax expense) *	1.81	1.77	1.69	7.01	4.67
(iv) NPA Ratio					
(a) Gross NPAs	82,127.72	75,025.64	72,396.46	82,127.72	72,396.46
(b) Net NPAs	36,089.88	33,033.62	31,201.64	36,089.88	31,201.64
(c) % of Gross NPA to Gross Advances	2.61%	2.53%	2.76%	2.61%	2.76%
(d) % of Net NPA to Net Advances	1.17%	1.13%	1.21%	1.17%	1.21%
(v) Return on Assets (average) *	0.47%	0.48%	0.56%	1.96%	1.82%
(vi) Net worth (excluding Revaluation Reserve & Intangibles)	5,53,737.24	5,30,026.38	4,79,684.06	5,53,737.24	4,79,684.06
(vii) Outstanding redeemable preference shares	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-
(ix) Debt-equity ratio \$	0.11	0.14	0.27	0.11	0.27
(x) Total debts to total assets @	3.95%	5.08%	8.51%	3.95%	8.51%
* Not annualised for the quarter					
\$ Debt represents borrowings with residual maturity of more than one year.					
@ Total debts represents total borrowings of the Bank.					



2. Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segments of the Bank is as under:

(₹ in Lakh)

Sl No	Particulars	Quarter ended			Year ended	
		31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-24	31-Mar-23
		Audited (Refer Note 18)	Unaudited	Audited (Refer Note 18)	Audited	Audited
1	Segment revenue					
a)	Treasury	19,248.05	18,468.39	11,689.36	67,027.72	42,650.27
b)	Retail Banking	1,42,282.48	1,39,841.96	1,22,660.17	5,39,191.87	4,24,161.91
c)	Wholesale Banking	2,069.38	2,388.56	2,490.46	10,107.52	8,981.49
d)	Other Banking operations	4,910.90	2,728.29	2,601.89	12,180.29	7,352.71
e)	Unallocated	-	-	-	-	-
	Income from operations	1,68,510.81	1,63,427.20	1,39,441.88	6,28,507.40	4,83,146.38
2	Segment results					
a)	Treasury	3,605.78	5,506.51	1,196.97	13,712.62	8,326.96
b)	Retail Banking	20,160.17	21,166.01	23,717.99	87,005.36	66,266.02
c)	Wholesale Banking	470.73	414.03	(146.05)	2,243.88	1,493.33
d)	Other Banking operations	4,448.03	2,382.15	2,395.75	10,806.73	6,155.97
e)	Unallocated	(1,869.37)	(1,876.11)	(1,086.01)	(7,456.12)	(5,361.88)
	Profit before Tax	26,815.34	27,592.59	26,078.65	1,06,312.47	76,880.40
3	Segment assets					
a)	Treasury	12,37,846.54	10,61,270.27	7,00,898.97	12,37,846.54	7,00,898.97
b)	Retail Banking	31,82,139.00	29,74,338.49	26,30,959.63	31,82,139.00	26,30,959.63
c)	Wholesale Banking	87,127.76	1,00,871.56	1,43,374.46	87,127.76	1,43,374.46
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	23,273.69	21,550.32	20,579.80	23,273.69	20,579.80
	Total	45,30,386.99	41,58,030.64	34,95,812.86	45,30,386.99	34,95,812.86
4	Segment liabilities					
a)	Treasury	10,76,411.93	9,16,452.66	5,97,175.89	10,76,411.93	5,97,175.89
b)	Retail Banking	27,78,079.65	25,80,018.57	22,55,631.59	27,78,079.65	22,55,631.59
c)	Wholesale Banking	76,144.03	87,540.11	1,22,860.63	76,144.03	1,22,860.63
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	2,881.19	2,487.74	4,349.98	2,881.19	4,349.98
	Total	39,33,516.80	35,86,499.08	29,80,018.09	39,33,516.80	29,80,018.09
5	Capital Employed [Segment Assets-Segment Liabilities]					
a)	Treasury	1,61,434.61	1,44,817.61	1,03,723.08	1,61,434.61	1,03,723.08
b)	Retail Banking	4,04,059.35	3,94,319.92	3,75,328.04	4,04,059.35	3,75,328.04
c)	Wholesale Banking	10,983.73	13,331.45	20,513.83	10,983.73	20,513.83
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	20,392.50	19,062.58	16,229.82	20,392.50	16,229.82
	Total	5,96,870.19	5,71,531.56	5,15,794.77	5,96,870.19	5,15,794.77



Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 - "Segment Reporting". The methodology adopted by the bank in compiling and reporting the above information has been relied upon by the auditors.

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.

3. Statement of Assets and Liabilities as on March 31, 2024 is given below:

Sl No	Particulars	(₹ in Lakh)	
		As at 31-Mar-24	As at 31-Mar-23
		Audited	Audited
CAPITAL AND LIABILITIES			
1	Capital	1,13,488.73	1,11,055.82
2	Reserves and Surplus	4,83,381.46	4,04,738.95
3	Deposits	36,12,920.22	25,34,848.26
4	Borrowings	1,78,753.00	2,97,376.00
5	Other Liabilities and Provisions	1,41,843.58	1,47,793.83
	Total Liabilities	45,30,386.99	34,95,812.86
ASSETS			
6	Cash and Balances With Reserve Bank of India	3,50,035.41	1,17,391.22
7	Balances With Banks and Money At Call and Short Notice	7,859.75	7,034.55
8	Investments	9,06,527.23	6,66,456.24
9	Advances	30,96,429.99	25,79,855.66
10	Fixed Assets	60,472.51	37,913.04
11	Other Assets	1,09,062.10	87,162.15
	Total Assets	45,30,386.99	34,95,812.86



4 Statement of Cash Flow for the year ended March 31, 2024 is given below:

(₹ in Lakh)

Particulars	Year Ended	
	31-Mar-24	31-Mar-23
	Audited	Audited
Cash Flow from Operating activities		
Profit Before Tax	1,06,312.47	76,880.40
Adjustments for		
Depreciation on fixed assets	13,441.56	8,453.78
Depreciation on investments	4,437.87	4,293.59
Amortization on held to maturity securities	2,440.18	2,421.31
Provision for standard assets (including restructured standard assets) (net)	(1,830.49)	(7,747.00)
Additional Provision on Standard assets	(159.50)	(2,073.19)
Bad debts written off	23,202.65	40,983.61
Provision for Non performing assets	5,249.76	5,423.97
Other Provision and Contingencies	232.62	99.95
(Profit) / Loss on sale of fixed assets	(28.06)	4.12
Interest expenses on borrowings	38,799.96	30,802.75
Interest income on bank balances not considered as cash and cash equivalents	(895.12)	(196.90)
ESOP Expenses	3,578.04	442.15
Dividend Income	(81.36)	(40.60)
	1,94,700.58	1,59,747.94
Adjustments for		
(Increase)/Decrease in investments	(2,47,355.78)	(2,28,186.18)
(Increase)/Decrease in advances	(5,44,620.00)	(6,88,842.64)
Increase/(Decrease) in deposits	10,78,071.96	6,42,847.47
(Increase)/Decrease in other assets	(19,122.25)	(7,545.98)
Increase/(Decrease) in other liabilities and provisions	(2,775.78)	41,527.46
Cash flows generated/ (used in) operations	4,58,898.73	(80,451.93)
Direct taxes paid	(29,110.32)	(19,314.60)
Net cash (used in)/ generated from operating activities (A)	4,29,788.41	(99,766.53)
Cash flow from investing activities		
Purchase of fixed assets	(36,355.43)	(26,566.63)
Proceeds from sale of fixed assets	382.45	244.21
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	(7,110.31)	-
Interest received from bank balances not considered as cash and cash equivalents	892.64	196.90
Net cash (used in) / generated from investing activities (B)	(42,190.65)	(26,125.52)
Cash flow from financing activities		
Increase/(decrease) in borrowings (net)	(1,18,623.00)	35,736.00
Proceeds from issue of share capital (including share premium)	8,764.20	878.11
Interest paid on borrowings	(40,217.05)	(30,602.80)
Dividend Paid	(11,162.83)	-
Net cash (used in) / generated from financing activities (C)	(1,61,238.68)	6,011.31
Net Increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	2,26,359.08	(1,19,880.74)
Cash and Cash equivalents at beginning of the year	1,24,425.77	2,13,251.46
Add: Pursuant to scheme of amalgamation	-	31,055.05
Cash and Cash equivalents at end of the year	3,50,784.85	1,24,425.77
Notes to cash flow statement :		
Cash and Cash equivalents include the following		
Cash and Balances With Reserve Bank of India	3,50,035.41	1,17,391.22
Balances With Banks And Money At Call And Short Notice	7,859.75	7,034.55
Balances not considered as part of cash and cash equivalents:		
Bank deposits with an original maturity of more than three months or Bank deposits under lien	(7,110.31)	-
Cash and Cash equivalents at end of the year	3,50,784.85	1,24,425.77



Notes

- 5 The above Audited financial results (along with the notes given below) hereafter referred as " Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter and year ended March 31, 2024 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on April 23, 2024 and April 24, 2024 respectively and have been subjected to an Audit by the statutory auditors of the Bank (M/s Varma & Varma, Chartered Accountants and M/s ASA & Associates LLP, Chartered Accountants). Their report thereon is unmodified.
- 6 The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the guidelines issued by the Reserve Bank of India (RBI) from time to time.
- 7 The Board of Directors at its meeting held on April 24, 2024, proposed a dividend of ₹ 1.00 per share (previous year: ₹ 1.00 per share), subject to approval of the members at the ensuing Annual General Meeting. Effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2024.
- 8 The Capital adequacy ratio ("CAR") of the Bank has been computed as per applicable Basel II Standardized approach in accordance with RBI Master Circular No. DBR.No.BP.BC.4./21.06.001/2015-16 dated July 1, 2015 on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).
- 9 The Bank makes Pillar III disclosures as part of Market Discipline as per above referred RBI circular. In addition to this, the Bank provides disclosures on Leverage ratio as per Basel III- Capital Regulations (vide Circular DOR.CAP.REC.3/21.06.201/2022-23 dt. April 1, 2022). Further, the Bank makes disclosures on liquidity coverage ratio (vide ref. RBI/2013-14/635 DBOD.BP.BC.No.120 / 21.04.098/2013-14 dt. June 9,2014 read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments') and Net Stable Funding Ratio (vide ref. RBI/2017-18/178 DBR.BP.BC.No.106/21.04.098/2017-18 dt. May 17 2018) These disclosures are available on the Bank's website at the following link: <https://ir.equitasbank.com/reports-and-presentations/>. These disclosures have not been subjected to audit or limited review.
- 10 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2024 are given below:

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of previous half - year (A)\$	Of (A) aggregate debt that slipped into NPA during the half - year	(Of (A) amount written off during the half - year #)	Of (A) amount paid by the borrower during the half-year ##	Exposure to accounts classified as Standard consequent of implementation of resolution plan - Position as at end of this half-year
Personal Loans	8.55	1.31	0.00	0.34	6.90
Corporate persons*	4.38	-	-	0.66	3.72
Of which, MSMEs	1.88	-	-	0.00	1.88
Others	332.78	29.88	1.15	72.30	230.60
Total	345.71	31.19	1.15	73.30	241.22

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

represents debt that slipped into NPA and was subsequently written off during the half year

includes change in the balances on account of interest

\$ Excludes other facilities to the borrowers which have not been restructured

There were 650 borrower accounts having an aggregate exposure of ₹17.17 Crore to the Bank, where resolution plans had been Implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and were modified under RBI's Resolution Framework 2.0 dated May 5, 2021

- 11 Details of loans transferred / acquired under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of Non performing advances (NPA) transferred during the year ended March 31, 2024 are given below.

(Amount in ₹ Crore except number of accounts and year)

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	7,845	-	-
Aggregate principal outstanding of loans transferred	161.86	-	-
Weighted average residual tenor of the loans transferred as on the date of Transfer (in years)	4.19	-	-
Net book value of loans transferred (at the time of transfer)	34.87	-	-
Aggregate consideration	118.19	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

The Bank had also reversed excess provision of ₹23.04 Crore to the Profit and Loss account on account of sale of Non performing advances to ARC

(ii) The Bank has not transferred any Special Mention Account (SMA).

(iii) Details of loans not in default transferred through assignment are given below:



(Amount in ₹ Crore)		
S.No.	Particulars	March 31, 2024
1	Aggregate amount of loans transferred	715.76
2	Weighted average residual maturity (in years)	14.95
3	Weighted average holding period by originator (in years)	1.42
4	Retention of beneficial economic interest by the originator	10%
5	Tangible security coverage(%)	100%

The loans transferred are not rated as these are to non-corporate borrowers.

(iv) The Bank has not acquired any "loans not in default" from other entities through assignment.

(v) The Bank has not acquired any stressed loan.

(vi) Details of Ratings of Security receipts (SR) as on March 31, 2024 are given below.

(Amount in ₹ .Crore)			
Rating	Rating Agency	Recovery Rating	Gross Value of Outstanding SRs
IND RR5	India Ratings	Upto 25%	40.33
RR1	India Ratings	100% - 150%	60.28
Total			100.61

- 12 The Bank was following the intrinsic value method to account for its stock based employee compensation plans (Employees other than WTD/CEO/MRTs) and fair value method stock options using Black-Scholes model for all the options granted after March 31, 2021 to WTD/CEO/MRTs as required under RBI circular.

The Bank, having regard to the RBI advisory, has changed the accounting policy from intrinsic value method to fair value method for all employee stock options granted after March 31, 2021 and consequently recognised fair value of options estimated using Black-Scholes model, as compensation expense over the vesting period.

As a result, the Bank has additionally provided ₹29.21 Crore on March 31, 2024 as employee stock options expenses and included under operating expenses (employees cost).

- 13 The Bank has granted 87,56,571 options under the ESFB Employees Stock Option Scheme 2019 (ESFB ESOP Scheme) to eligible employees of the Bank as defined during the year ended March 31, 2024. Out of total 8,84,32,589 options granted till March 31, 2024, 1,60,16,865 Options were vested and 2,16,78,101 options were lapsed and 1,23,23,320 options are yet to be vested.
- 14 During the year ended March 31,2024, the Bank has allotted 2,43,29,125 equity shares of ₹ 10/- each, fully paid up, on exercise of options by its employees in accordance with the ESFB ESOP Scheme.
- 15 During the year ended March 31, 2024, the Bank has paid ₹ 0.06 Crore (Previous year: ₹ 'Nil' Crore) towards purchase of Priority Sector Lending Certificates ('PSLC').
- During the year ended March 31, 2024, the Bank has realised ₹ ' Nil ' Crore (Previous year: ₹ 7.46 Crore) from sale of Priority Sector Lending Certificates ('PSLC')
- 16 Other Income includes fees earned from providing services to customers, Interchange fee income, selling of third-party products, profit on sale of investments (net) (including provision for depreciation), recoveries from accounts previously written off, etc.,
- 17 The ratios and other information which are to be disclosed as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been disclosed to the extent applicable.
- 18 The figures for the quarter ended March 31, 2024 and March 31, 2023 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the financial year, viz., December 31, 2023 and December 31, 2022, which were subjected to limited review and audit respectively, by the Statutory Auditors .
- 19 Previous period / year figures have been reclassified/regrouped, wherever necessary, to conform to the current period / year classification/ grouping.



For Equitas Small Finance Bank Limited

P N Vasudevan

P N Vasudevan

Managing Director and Chief Executive Officer

Place: Chennai

Date: April 24, 2024

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ASA & Associates LLP,
Chartered Accountants,
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Independent Auditors Report on the quarterly and year to date financial results of Equitas Small Finance Bank Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
Equitas Small Finance Bank Limited

Report on the Audit of the Financial Results

Opinion

1. We have audited the accompanying Financial results of **Equitas Small Finance Bank Limited** ("the Bank") for the quarter ended March 31, 2024 and year to date results for the period from April 1, 2023 to March 31, 2024 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at March 31, 2024, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been audited by us.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement;
 - a) is presented in accordance with the requirements of the Listing Regulations in this regard; and
 - b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Accounts) Rules, 2014, as amended, to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended March 31, 2024.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Statement" 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 Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Director's Responsibilities for the Statement

4. The Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the annual audited financial statements. The Bank's Management and Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and other financial information of the Bank in accordance with the recognition and measurement principles laid down in Accounting Standards specified under section 133 of the Act, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Listing Regulations. 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 judgments and estimates that are reasonable and prudent; and 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Statement by the Board of Directors of the Bank, as aforesaid.
5. In preparing the Statement, the Board of Directors are 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Bank are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.
8. 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 Statement, 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.

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- Obtain an understanding of internal controls 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 through a separate report on the complete set of financial statements 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 the Board of Directors.
 - Conclude on the appropriateness of the Board of Director'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 ability of the Bank 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 results 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.

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Chennai - 600 002

Other Matters

11.

- a. The financial statements of the bank for the quarter and year ended March 31, 2023, were jointly audited by M/s. T R Chadha & Co LLP and M/s Varma & Varma, who, vide their report dated May 05, 2023, expressed an unmodified opinion on those financial statements.

- b. The Statement includes the results for the quarter ended March 31, 2024 and March 31, 2023 being the balancing figures between the annual audited figures in respect of the full financial years and the published year to date figures upto the third quarter of the financial year, viz., December 31, 2023 and December 31, 2022, which were subjected to limited review and audit respectively.

**For Varma & Varma
Chartered Accountants
ICAI FRN: 004532S**

POONJAR RAMA
PRASANNA
VARMA

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PRASANNA VARMA
Date: 2024.04.24 13:39:55
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P R Prasanna Varma
Partner
ICAI Membership No. 25854
UDIN: 24025854BKGPXX7336

Place: Chennai
Date: 24/04/2024

**For ASA & Associates LLP
Chartered Accountants
ICAI FRN: 009571N/N500006**

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NATARAJAN
RAMASWAMI

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Date: 2024.04.24 13:28:12
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G N Ramaswami
Partner
ICAI Membership No. 202363
UDIN: 24202363BKEYVYG6469

Place: Chennai
Date: 24/04/2024

Details as required under Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated July 13, 2023 are as under:

Completion of tenure of Mr. Arun Ramanathan (DIN: 00308848), Part-time Chairman and Non-Executive Independent Director of the Bank

S. No.	Particulars	Details
1	Name of the Director	Mr. Arun Ramanathan (DIN: 00308848)
2	Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise	Mr. Arun Ramanathan will cease to be the Part-time Chairman and Independent Director of the Bank effective from the close of business hours on April 24, 2024 consequent to the cessation of his term upon his attaining the age of seventy five (75) years, being the upper age limit prescribed for Non-Executive Directors by RBI.
3	Date of appointment/re-appointment/cessation (as applicable) & term of appointment/re-appointment	Effective from the close of business hours on April 24, 2024
4	Brief profile (in case of appointment)	Not Applicable
5	Disclosure of relationship between Directors (in case of appointment of a Director)	Not Applicable

For Equitas Small Finance Bank Limited



N Ramanathan
Company Secretary



BEYOND BANKING

When you bank with us, you contribute towards a better society.

Equitas Small Finance Bank Limited
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3762035

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Details as required under Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated July 13, 2023 are as under:

Appointment of Mr. Anil Kumar Sharma (DIN: 08537123) as Additional Director (Independent) and Part-time Chairman of the Bank

S. No.	Particulars	Details
1	Name of the Director	Mr. Anil Kumar Sharma (DIN: 08537123)
2	Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise	Appointment of Mr. Anil Kumar Sharma (DIN: 08537123) as Additional Director (Independent) and Part-time Chairman of the Bank
3	Date of appointment/ re-appointment/ cessation (as applicable) & term of appointment/ re-appointment	Appointment of Mr. Anil Kumar Sharma as Independent Director shall be for a period of five (5) years effective from April 25, 2024 until April 24, 2029 and he shall not be liable to retire by rotation. Appointment of Mr. Anil Kumar Sharma as Part-time Chairman of the Bank shall be for a period of three (3) years effective from April 25, 2024, as approved by RBI.
4	Brief profile (in case of appointment)	Mr. Anil Kumar Sharma retired as an Executive Director, Reserve Bank of India in March 2023, after 37 years of service. He holds a Master's degree in Economics and CAIIB & Diploma in Treasury, Investment & Risk Management (DTIRM) from Indian Institute of Banking & Finance. During his tenure with RBI, he had served in various capacities viz., General Manager - Supervision, Rural Credit, MSME Credit & Financial Inclusion, Chief General Manager - Supervision & Chief General Manager - Enforcement before elevation as Executive Director. His experience includes Supervision of Banks and NBFCs, Rural credit, MSME Credit, Cooperative Banking, Financial Inclusion and Development, Enforcement of Regulations, Customer Education and Protection, etc. He had also served as a Non-Executive Director on the Board of State Bank of India and State Bank of Hyderabad during his stint with RBI. He holds 2,607 shares in Equitas Small Finance Bank Limited.



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5	Disclosure of relationship between Directors (in case of appointment of a Director)	Mr. Anil Kumar Sharma is not related to any of the Directors of the Bank.
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For Equitas Small Finance Bank Limited



N Ramanathan
Company Secretary



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