



## CSR Policy

### History of Revisions

Version	Summary of Revisions	Date of Approval
8.0	Periodic Review	27-Jun-25
7.0	Regulatory Modification	04-May-23
6.0	Annual Review	04-May-22
5.0	Annual Review- Regulatory Modifications	17-Mar-21
4.0	Annual Review	29-Jan-20
3.0	Annual Review	31-Jan-19
2.0	Annual Review	30-Jan-18
1.0	Policy Formulation	20-Sep-16

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## **1. Preamble**

### **1.1 Objective of the Policy**

The objective of this Policy is to articulate the Corporate Social Responsibility (CSR) Policy of Equitas Small Finance Bank Limited (“Equitas” or “ESFB” or “the Bank”) and establish a 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.

### **1.2 Scope of the Policy**

- a. This policy will cover the role, rights and responsibilities of the Bank in CSR activities.
- b. This policy is applicable to all projects, programs, donations and activities undertaken by the Bank in fulfillment of its CSR obligations.

### **1.3 Definitions**

Corporate Social Responsibility (CSR) - CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis.

Sustainable Development (SD)

Sustainable development is defined as the advancement of economic development while maintaining the quality of environmental and social systems.

## **2. Regulatory Framework Applicable Regulations**

### **[2.1 Section 135 of the Companies Act, 2013 \(“the Act”\)](#)**

### **[2.2 Companies \(Corporate Social Responsibility Policy\) Rules, 2014 \[CSR Policy Rules\] as amended by the Companies \(Corporate Social Responsibility Policy\) Amendment Rules, 2021 & 2022](#)**

### **[2.3 Companies \(Accounts\) Amendment Second Amendment Rules, 2023](#)**

### **[2.4 RBI Bulletin on Green Finance – Early Initiatives dated May 10, 2016](#)**

## **3 ESFB Policy framework**

### **3.1 CSR Policy**

Equitas will always be committed to the economic and social development of society. Even before Corporate Social Responsibility found a place in corporate lexicon, it had been integrated into the value systems of Equitas.

The CSR philosophy of Equitas is to provide holistic empowerment to people from disadvantaged sections of society, by improving the quality of their lives and their families through skill development, access to affordable healthcare, holistic education and such

other community development interventions.

### **3.2 Key Focus Areas**

**i) Education**

Education is identified as the key driver for upward mobility for disadvantaged sections of society. However, the importance of formal education is often neglected in the quest to earn livelihood at the margins. Recognising this, Equitas will support initiatives aimed at providing affordable holistic education to children of under-privileged segments through schools established in their neighborhood.

**ii) Healthcare**

Equitas has identified the lack of access to affordable healthcare as a key pain point for the marginalized sections of society. In many cases, this could push a family to lower economic strata when the key earning member is incapacitated due to ill health and chronic ailments. Equitas seeks to attack this pain point by enabling health-screening camps, access to Equitas Health helpline, quality affordable medical treatment, health education, etc.

**iii) Skill Development**

The endeavor will be to augment the income levels and enable financial empowerment of the marginalized sections of society by training them in an array of easily learnable productive skills. This would serve as a buffer against possible loss of livelihoods arising out of economic shocks and natural calamities.

**iv) Facilitating dignified living conditions for the homeless**

With no reliable shelter, no access to clean water or sanitation facilities, and no real way to earn a living, the ultra-poor in urban areas are unmatched in their vulnerability and needs. Through a multi-dimensional approach involving skill training, financial support for housing and helping them to obtain ration cards, the endeavor will be to rehabilitate the homeless families and enable them to become financially self-sufficient.

**v) Enabling employment opportunities for unemployed youth**

India is a country with a very high proportion of able-bodied workforce in its population. This demographic dividend cannot be frittered away in unemployment and consequent social ills that would result out of the same. The importance of gainfully employing young people from low-income families cannot be overstated. With this focus, Equitas will seek to provide the unemployed young people of low-income families with access to employment opportunities in large companies and retail outlets.

### **3.3 Delivery Channels**

The Bank will primarily use Equitas Development Initiatives Trust (EDIT) and Equitas Healthcare Foundation (EHF) to carry out its CSR activities.

#### **Equitas Development Initiatives Trust (EDIT)**

EDIT was established by Equitas, within two months of its inception in February 2008, to carry out socially relevant projects. EDIT, registered as a public charitable trust, helps the society get quality health care by partnering with hospitals, provides quality and holistic education at affordable cost, trains women to earn additional income and helps unemployed youth to get employment opportunities.

#### **Equitas Healthcare Foundation**

Equitas Healthcare Foundation (EHF) registered as a public charitable trust was established as a separate trust by Equitas in 2018, to provide access to quality and affordable healthcare to the underprivileged sections with an emphasis on cancer care.

The Bank directly or through the above Trusts, may enter into alliances, partnerships and contracts with other not-for-profit Institutions/entities to further the CSR activities of the Bank.

### **3.4 Annual CSR Plan**

3.4.1 The Annual CSR action plan, prepared by the Head-CSR, reviewed and recommended by the CSR Committee will be placed before the Board for its approval. The Board-approved annual CSR plan would provide the basis for carrying out CSR activities throughout the year and will contain:

- a. A list of CSR projects or programs approved to be undertaken in areas or subjects specified in Schedule VII of the Act
- b. Manner of execution of such projects or programs
- c. Modalities of utilization of funds and implementation schedule for the projects/programmes
- d. Monitoring and reporting mechanism and
- e. Need and impact assessment, if any, for projects undertaken by the Bank.

The indicative form for presenting the Annual CSR Plan would be in the format as may be prescribed by the Central Government from time to time.

3.4.2 On-going projects, if any, will have the monitoring indicators and reporting indicated as part of the approval memorandum. For the regular activities funded year to year, a half-yearly report on the progress made will be placed before the CSR Committee.

3.4.3 The CSR Committee may consider and recommend to the Board new projects to be implemented at any point of time, without linking the same to the annual planning and budgeting process. The projects so approved will be taken into account for the annual plan and budgets.

### **3.5 Contribution**

The Bank will make a contribution of up to 5% of its net profits of the immediately preceding Financial Year or 2% of the average net profit of the Bank for the past three financial years calculated as per the Companies Act 2013, whichever is higher, to Equitas Development Initiatives Trust, Equitas Healthcare Foundation, or such other trusts as may be formed by the Bank ("Implementing Agencies") for undertaking such CSR projects in accordance with the annual activity plan approved by the Board.

### **3.6 Governance, Monitoring and Review**

- a. A key requirement will be to ensure that CSR funds are utilized by the Implementing Agencies in the manner agreed upon and for the purposes outlined in the relevant projects or activities.
- b. The Board of Directors of the Bank, through the CSR Committee constituted under Section 135 of the Companies Act, 2013 and Rules thereunder, will monitor the implementation of the CSR projects with reference to the approved timelines and year-wise allocation and cost-effectiveness of the benefits to the recipients.
- c. The Bank will require an annual audit to be conducted by an independent Chartered Accountant, of the expenditure incurred by the Implementing Agencies – Equitas Development Initiatives Trust and Equitas Healthcare Foundation out of the CSR contribution made by the Bank and submit the report to the Bank.
- d. Based on the said report, the Chief Financial Officer of the Bank will certify the utilization of CSR contribution by the Implementing Agencies for the approved CSR projects and submit the same to CSR Committee and the Board.
- e. The two Trusts would be required to submit their quarterly financials to the Bank for its perusal.
- f. The CSR Committee will also commission evaluation studies of the impact of CSR activities at such periodicities as mandated by the Rules from time to time and as and when felt necessary and place the findings before the Board.
- g. Pursuant to the recommendations of CSR Committee, the Board will approve an Annual Report on CSR Activities in the prescribed format, providing information on the CSR expenditure, unspent portion, if any, allocation of the CSR expenditure against each of the approved CSR projects or programs, Impact Assessment conducted during the year, if any, assets created, if any, out of the CSR Expenditure and other such information as prescribed under CSR Rules. The said Report would be annexed to the Annual Report of the Bank, published and sent to shareholders.
- h. As required under the CSR Rules, the Bank will file a report on Corporate Social Responsibility in the prescribed Form -with the Ministry of Corporate Affairs, within such timelines as may be prescribed under the above Rules, read with amendments thereto.

### **4. Provisions in the policy over and above but in consonance with RBI guide lines**

None

### **5. Changes to the Policy**

Clause 3.2, 3.3, 3.4.1 and 3.6 h

## **6. Periodicity of review of the Policy**

The Board will review this policy within 18-24 months from the date of Board approval / previous review and at such intervals as may be required based on regulatory and business exigencies.

<b>Author of the Policy</b>	<b>Secretarial Department</b>
<b>Reviewer of the Policy</b>	<b>Compliance</b>
	<b>Executive Policy Formulation Committee</b>
<b>Date of Board Approval</b>	<b>June 27, 2025</b>
<b>Date of Next Review</b>	<b>18-24 months from the date of Board approval/ previous review</b>