Equitas Small Finance Bank Limited

November 06, 2026

Equitas Small Finance Bank Limited (the Bank), vide a stock exchange disclosure dated October 29, 2026, announced resignation of Mr. P. N. Vasudevan from the position of Managing Director & Chief Executive Officer (MD & CEO) of the Bank. In his resignation letter published on the stock exchanges, Mr. Vasudevan has highlighted his decision to pursue personal and social initiatives, and investor perceptions of a potential conflict of interest arising from his daughter being a co-promoter of a housing finance company (HFC) as the reasons for his resignation. The management has clarified that the resignation is not linked to any regulatory, governance, or supervisory concerns, and also that there have been no transactions between the Bank and the HFC except a short-term term deposit placed by the HFC with the Bank about two and a half years back, which has been repaid on maturity.

CARE Ratings Limited (CareEdge Ratings) notes that the Board of Directors of the Bank has requested Mr. Vasudevan to continue discharging his responsibilities until a successor assumes charge, which will support business continuity. While the Board of Directors has, on November 03, 2026, appointed Mr. Balaji Nuthalapadi, Whole-Time Director (Executive Director) of the Bank, as the Interim CEO of the Bank, the appointment is subject to the approval from the Reserve Bank of India (RBI). Upon receipt of RBI approval, the Board will decide Mr. Vasudevan's relieving date. The transition is not expected to impact the Bank's strategy or operations, and its business profile is likely to be supported by its established franchise, diversified product portfolio, and a branch network of around 1,100 branches. The Bank reported a business size exceeding ₹1 lakh crore as on September 30, 2026, and a profit after tax of ₹218 crore in Q2FY27. Timely appointment of a new MD & CEO and the effectiveness of the leadership transition remain key monitorables.

Refer the following link for the previous press release that captures key rating factors and rating sensitivities: Link here

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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