SURYODAY
A BANK OF SMILES

Inclusive Growth, Powering Aspirations

Impact with scale.

ANNUAL REPORT
2025-26

- TRUST
- TECHNOLOGY
- TRANSPARENCY

CONTENTS

Scan this QR code to navigate investor-related information:

Discover our journey

Theme Introduction

India's banking landscape is undergoing a significant transformation, driven by rising aspirations, increasing financial awareness and rapid digital adoption across urban as well as semi-urban and rural markets. In this operating landscape, the role of financial institutions extends beyond providing banking services to enabling progress, fostering resilience and creating long-term value for communities. At Suryoday, this responsibility continues to shape our purpose and direction.

Inclusive growth remains the cornerstone of our approach. Since inception, we have remained focused on extending responsible financial services to underserved and emerging segments across the country. As we evolve beyond our microfinance roots, we continue to strengthen our presence across individual lending, MSME financing and retail banking, supported by stable and granular retail deposits. Our approach is centred on creating a banking experience that is accessible, relevant and trusted by customers across geographies and income segments.

At the same time, we remain committed to **powering aspirations** through innovation-led banking solutions and customer-centric execution. We are redefining convenience and accessibility through initiatives such as credit on UPI, enabling seamless and instant access to formal credit for millions of customers. By combining the discipline and trust of a bank with the agility of a fintech, we are building a responsive and digitally enabled ecosystem that supports evolving customer expectations.

As we continue to strengthen our capabilities, our focus remains on creating impact with scale. While technology is accelerating outreach and broadening customer access, our measure of progress lies in the relationships we nurture and the positive outcomes we create for individuals, businesses and communities.

As we continue our journey forward, we are committed to redefining inclusive banking in a rapidly transforming India through purpose-driven growth, innovation and customer-centricity.

About Suryoday Bank

The Power of Digital. The Assurance of Human Ingenuity.

At Suryoday, we believe that ambitious aspirations are built on strong financial foundations. Guided by a clear purpose, we are committed to expanding access to responsible banking and advancing meaningful financial inclusion at scale. As a new-age digital bank, we focus on delivering a seamless and best-in-class customer experience supported by world-class banking solutions.

Driven by our vision of building a financially empowered India, we continue to take banking beyond the boundaries of traditional branch networks. This approach has enabled us to extend our reach across both remote and urban regions, contributing to the growth of a more inclusive financial ecosystem. Over the years, the positive impact of accessible and responsible banking has become increasingly visible across the nation.

With headquarters in Navi Mumbai, we have steadily evolved from a microfinance-led institution into a diversified banking franchise. Today, we balance our strong inclusive finance heritage with a growing secured asset portfolio and an increasingly granular retail liability base with core focus on digitalization.

Our Vision

To be a best-in-class financial services organisation that provides products and value-added services to the economically challenged, commensurate to their various financial needs across saving, protection against life calamities and income generating opportunities, to achieve a sustainably better standard of living.

Our Mission

To serve 1% of the Indian Households in a meaningful manner.

715+
Branches

8500+
Employees

4.2 Million
Customers

Our Values

Employee Friendly
We foster a supportive workplace by investing in our people's growth, learning and overall well-being.

Customer Focus
We prioritise understanding and addressing genuine customer needs rather than simply offering products.

Simplicity
We streamline our processes to make banking intuitive, accessible and easy to navigate.

Respect
We value every stakeholders, customers, partners and employees and engage with them with dignity and consideration.

Ethics and Integrity
We uphold the highest standards of integrity, ensuring transparency, accountability and fairness in everything we do.

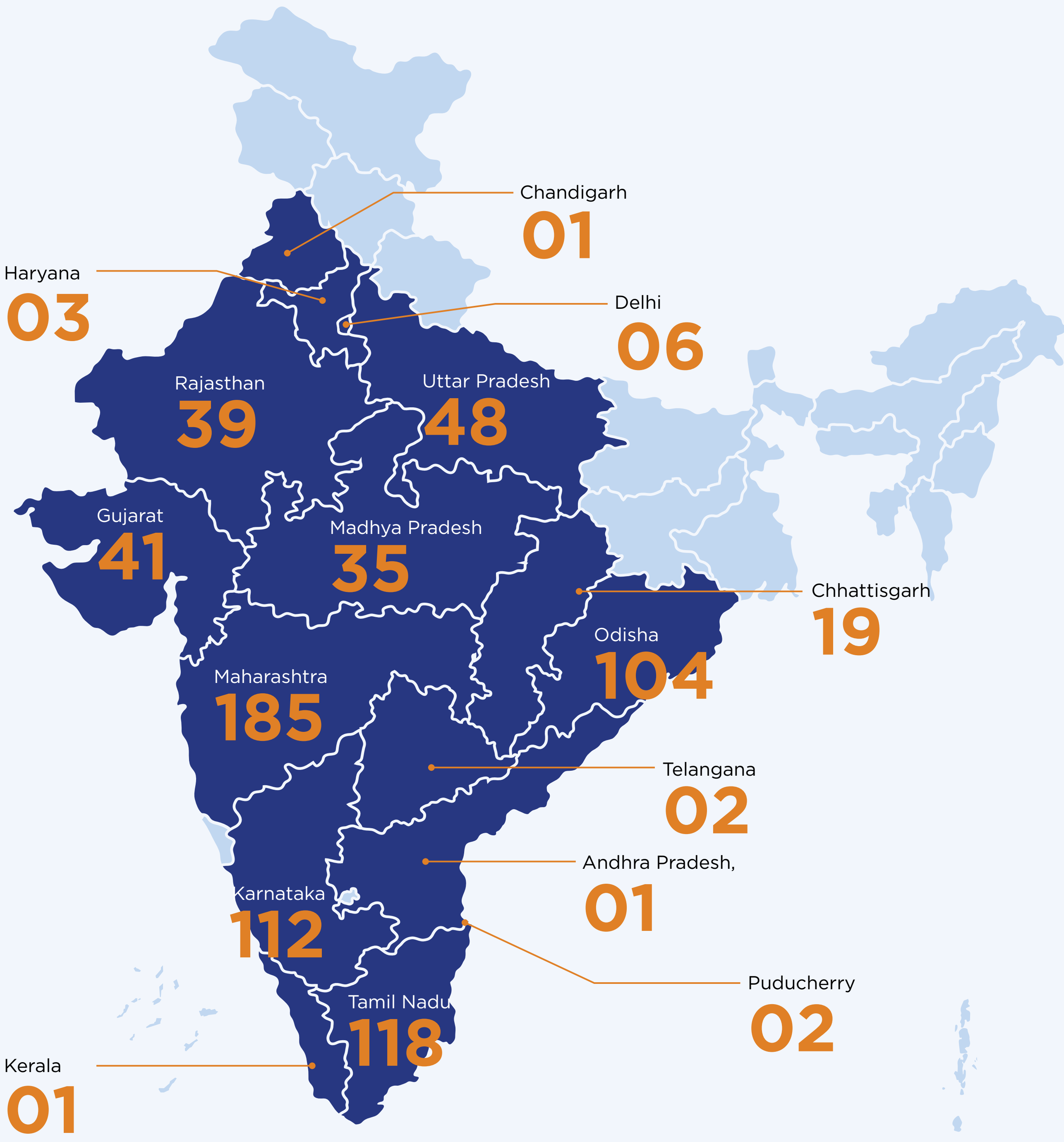
Geographical Presence

Extending and Deepening Reach

India now stands at a pivotal stage, where banks must increasingly focus on expanding reach, driving innovation and strengthening resilience. Building an interconnected banking network that can efficiently deliver credit to underserved and emerging markets remains essential to supporting inclusive growth.

Aligned with this vision, we have developed a geographically diversified franchise that combines deep regional reach with calibrated expansion into new markets. Our strong understanding of local operating environments enables us to respond efficiently to evolving customer needs, while maintaining disciplined credit performance. To enhance operational efficiency and extend our presence in a cost-effective manner, we also leverage a hub-and-spoke model across select markets, enabling wider customer outreach and ensuring robust service delivery and oversight. This balanced approach continues to create opportunities for sustainable growth across our network.

States and Total Branches



16
States and Union Territories

717
Banking Outlets (BO)

Our Journey

Growing Stronger with Every Milestone

2008-2012

Commencement

- Incorporation of Suryoday Micro Finance
- Received RBI license for NBFC & commenced
- MFI operations in Pune

2013-2017

SFB License

- Gross Advances crosses ₹1,000 Cr with 0.75 Mn customer base
- Operating 200+ branches
- Commenced SFB operations and CV, HL & LAP

2018-2022

IPO & COVID Tailwinds

- Gross Advances crosses ₹5,000 Cr
- Customer Base 2.1 Mn
- Operating 550+ branches
- Listed on NSE & BSE - IPO size of ₹581 Cr
- Introduced Micro Home Loan, Micro LAP

2023

Year of Reset

- Stabilized operations to pre-pandemic levels
- Started Two-wheeler product segment
- Introduced Assisted Digital FD creation journey Branch Network - 577 IT transformation programme

2024 & Beyond

Suryoday 2.0

- Gross Advances crosses ₹13,000 Cr & Deposits ~₹14,000 Cr
- Vikas Loan is now 75% of the IF Book
- Customer Base ₹ 4.0 Mn / Branch Network ₹ # 717
- New Initiatives scaling steadily : MSME, Secured Credit Card and Credit line on UPI
- Scaled our digital deposit franchise to ₹1,672 crore, with digital channels contributing ~49% of incremental deposits

Chairman's Message

Dear Shareholders,

At Suryoday Small Finance Bank, we believe that access to formal financial services can transform aspirations into opportunities and contribute meaningfully to economic progress. This purpose continues to guide our efforts as we expand responsible banking services across communities and customer segments.

FY2025-26 was a year of meaningful progress for the Bank, as we continued to navigate a changing operating environment. We strengthened our balance sheet, advanced our diversification agenda and deepened our digital capabilities, while remaining firmly anchored to our commitment to financial inclusion. Total Balance Sheet grew to ₹19,884.0 crore (up 27.3% YOY), gross advances grew to ₹13,261.0 crore (up 29.4% YOY) and deposits rose to ₹13,994.0 crore (up 32.3% YOY). These outcomes reflect the success of the strategic choices we have made over the past several years to build a stronger, more diversified and resilient institution.

Growth during the year was accompanied by continued portfolio diversification, digital innovation and deeper customer engagement. Together, these developments represent another important step in our journey to create impact at scale while strengthening the Bank's long-term sustainability.

Operating Environment

FY2025-26 unfolded against a backdrop of evolving global and domestic economic conditions. While geopolitical developments and shifts in monetary policy continued to influence financial markets, India's economy was supported by resilient domestic demand, increasing formalisation and continued adoption of digital public infrastructure. Credit demand remained healthy across retail and MSME segments, while the banking sector maintained a strong focus on liquidity and deposit mobilisation.

Within microfinance, the year marked a period of recalibration driven by reduction in borrower leverage and a renewed emphasis on underwriting discipline, collections and responsible lending practices. These developments reinforced the importance of our ongoing focus on diversification, prudent risk management and technology-enabled customer engagement.

Growth With Scale

Growth remained broad-based across both assets and liabilities. Gross advances increased by 29.4% to ₹13,261.0 crore, disbursements grew by 49.7% to ₹10,466.0 crore and deposits rose by 32.3% to ₹13,994.0 crore.

Financial Outcomes

FY2025-26 reflects both the opportunities we pursued and the investments we made as part of our transformation journey.

Net interest income stood at ₹1,098.7 crore, while net total income increased by 10.2% to ₹1,458.4 crore. Pre-provision operating profit remained stable at ₹384.1 crore. Profit after tax increased by 32.2% to ₹152.0 crore. Return on Assets stood at 0.9%, while Return on Equity improved to 7.6%.

These outcomes were achieved while continuing to invest in diversification, digital capabilities, distribution expansion and asset quality initiatives, with the objective of building a stronger and more sustainable earnings profile over the long term.

Diversified Franchise

A defining feature of FY2025-26 was the continued evolution of our portfolio mix. Retail assets grew at 41.4% YOY and now account for 55% of gross advances, while inclusive finance constitutes 45%, reflecting our efforts to build a more diversified and resilient banking franchise.

Within Inclusive Finance, Vikas Loans continued to gain momentum and now account for 75% of the portfolio. The Vikas Loan portfolio stood at ₹4,444.3 crore and grew by 47.1% YOY, while the overall Inclusive Finance portfolio expanded to ₹5,964.4 crore (up 17.2% YOY). The ongoing transition from group-based lending to an individual lending model is helping strengthen customer relationships, improve portfolio quality and support sustainable growth.

Our secured lending businesses also continued to grow at a faster rate relative to the overall growth of the loan book. Retail assets grew by 41.4%, while the commercial vehicle portfolio crossed ₹1,800.0 crore and the mortgage portfolio exceeded ₹3,000.0 crore. Together, these businesses are contributing to a more diversified asset mix and enhancing the Bank's resilience across economic cycles.

Our Deposit Franchise

The quality of our deposit franchise also improved during the year. Retail deposits, including CASA, contributed 86.0% of total deposits, compared with 81.1% in the previous year. The CASA ratio improved to 22.6% from 20.9%, while the cost of funds moderated to 7.7%.

Digital Momentum

Digital capabilities continued to emerge as an important driver of growth, customer acquisition and operating efficiency.

Our Digital Deposit franchise scaled to ₹1,672 crore, tripled over the previous year. Digital channels contributed approximately half of incremental deposits and reached a run rate of approximately ₹6 crore per day.

Credit line on UPI also gained significant traction. The platform now covers approximately 11 lakh pre-qualified customers, with 5.3 lakh customers sanctioned and 2.4 lakh customers actively utilising their limits. Total sanctioned limits stood at ₹362.0 crore, while utilised limits reached ₹102.0 crore.

Supported by investments in technology infrastructure, paperless journeys, analytics and fintech partnerships, these initiatives are improving customer access, enhancing operating efficiency and creating scalable growth opportunities.

Resilient Foundation

Maintaining financial resilience remains central to our approach.

Inclusive finance slippages reduced significantly during the latter half of FY 2025-26 and stood at approximately 193.1 Crores for the H2 FY26 (vs. 417.1 Crores in H1 FY26). As of March 31, 2026, Gross NPA stood at ₹864.0 crore and Net NPA at ₹542.0 crore.

The Bank continues to use credit guarantee schemes of the Government of India as an important risk mitigation tool. The Bank maintained approximately 98% coverage across eligible inclusive finance portfolios, with ₹508.0 crore receivable under the scheme as on 31st March 2026 (as against a NNPA of INR 542.0 crore).

Our Capital Adequacy Ratio stood at 20.5%, providing ample headroom to support future growth and strategic priorities.

People and Purpose

The progress achieved during the year was made possible by our 8,574 employees, who continued to serve customers across geographies while supporting the Bank's transformation agenda.

Beyond banking, we continued to advance our social initiatives through programmes such as Adhira, Spandan, Udyojika, Vidya, Ujjwal and Swayamshree, spanning healthcare, education, livelihood development, financial literacy and community well-being. These initiatives complement our broader objective of expanding opportunities and creating meaningful impact beyond financial services.

Building Momentum

Looking forward, we will continue to strengthen asset quality, enhance collection efficiency and further improve early-warning capabilities. We will scale our secured and asset-backed lending businesses, deepen our granular retail deposit franchise and expand digital partnerships that improve customer engagement and acquisition.

Investments in analytics, artificial intelligence-led underwriting and digital servicing capabilities will continue to improve productivity, decision-making and customer experience. At the same time, we remain focused on scaling digital deposits and credit line on UPI while maintaining a disciplined approach to risk management and capital allocation.

Our objective is not growth in isolation, but growth supported by stronger portfolio quality, greater operational efficiency and sustainable profitability.

Gratitude

I would like to express my sincere appreciation to our customers for their trust, our employees for their commitment, our Board of Directors for their guidance, the Reserve Bank of India and other regulatory authorities for their oversight, our partners for their collaboration and our shareholders for their continued confidence in the Bank.

As we look ahead, we remain guided by a clear purpose: expanding access to financial opportunities, supporting the aspirations of our customers and communities, as well as building a stronger institution that creates sustainable value for all stakeholders. With a more diversified franchise, a growing digital ecosystem and a resilient foundation, we enter FY2026-27 with confidence in our strategy and optimism about the opportunities ahead.

Warm regards,

Krishna Prasad Nair
Chairman
Suryoday Small Finance Bank Limited

MD and CEO's Message

Dear Shareholders,

FY2025-26 was a defining year in Suryoday's journey. It was a year in which we continued to strengthen the foundations of the Bank, accelerate the diversification of our business model and build the capabilities required for the next phase of sustainable growth.

Over the past few years, the evolution of Suryoday has been focused on three strategic pillars - Microbanking, Retail Assets and Digital Banking. Together, these pillars enable us to deepen financial inclusion, build a diversified and resilient balance sheet and create scalable growth engines for the future.

Despite a challenging operating environment for the microfinance industry, we delivered strong business momentum during the year. Gross Advances grew by 29.4% to ₹13,261 crore, Deposits increased by 32.3% to ₹13,994 crore, Total Assets expanded to ₹19,884 crore and Profit After Tax grew by 32.2% to ₹152 crore - reflecting the strength of our franchise and the progress made across multiple business segments.

Microbanking

Microbanking in front of remains at the core of our identity and purpose. For over a decade, it has enabled us to serve underserved households and small entrepreneurs across geographies, creating pathways to financial inclusion and economic participation.

During FY26, our focus within Microbanking was on improving portfolio quality, strengthening underwriting standards and enhancing customer engagement. We continued to accelerate the transition towards the Vikas Loan model, which now accounts for approximately 75% of the Inclusive Finance portfolio. The Vikas Loan book crossed ₹4,400 crore during the year, growing by 46.8%, demonstrating strong customer acceptance and reinforcing our confidence in the sustainability of this model. We are evolving business models along with digital and AI capabilities to provide world class banking services to our customer segment.

Retail Assets

Retail assets continued to gain scale and strategic importance, growing by 41.4% during the year and now constituting 55.0% of gross advances compared with 50.4% a year ago. As a result, our portfolio mix now stands at 45.0% Inclusive Finance and 55% Retail Assets which includes FIG, reflecting our deliberate strategy of creating a balanced and well diversified lending franchise.

The mortgage business loan book crossed ₹3,000 crore during the year, supported by healthy demand across LAP and Prime LAP segments and our Commercial Vehicle portfolio crossed ₹1,800 crore, benefiting from disciplined underwriting and strong customer acquisition. We also continued to strengthen our MSME franchise while investing in newer secured asset classes that will support future growth.

Digital Banking

Digital banking is increasingly emerging as a powerful growth and engagement engine. During the year, digital deposits grew to ₹1,672 crore and contributed nearly half of incremental deposit mobilisation. Digital deposits now account for approximately 12% of our overall deposit base and continue to scale steadily.

Our Credit Line on UPI platform also achieved significant progress, reaching approximately 11 lakh pre-qualified customers, sanctioning 5.3 lakh customers and driving utilisation across 2.4 lakh accounts. These initiatives are helping us expand customer reach, improve operating efficiency and build deeper customer relationships through technology-led engagement.

What the Figures Reveal

The progress achieved during FY26 is reflected not only in growth but also in the scale we have built across businesses.

Disbursements (excluding FIG & SCF) increased by 38.4% to ₹7,737 crore during the year. The liability franchise continued to strengthen, with granular retail deposits accounting for approximately 86.0% of total deposits compared with 81.1% in the previous year. The CASA ratio improved to 22.6%, while cost of funds moderated to 7.7%, reflecting the increasing quality and stability of our funding base.

Behind these numbers lies a sustained effort to strengthen our distribution network, deepen customer relationships and invest in technology, analytics and operational capabilities that will support long-term growth

Strengthening Asset Quality and Managing Risk with Discipline

While growth remained strong, our foremost priority during the year was improving asset quality and reinforcing risk management practices.

The microfinance sector continued to experience elevated stress during H1FY26 arising from borrower leverage, changing operating conditions and repayment disruptions across certain markets. In response, we adopted a disciplined and proactive approach - strengthening customer selection, enhanced cash-flow based underwriting, moderated growth in higher-risk geographies and improved collection capabilities across the network. The sector is now well balanced with new guardrails in place to protect customers and lending institutions.

In addition, the Credit Guarantee Fund for Micro Units (CGFMU) continued to provide an important layer of resilience to our Inclusive Finance portfolio. As of March 2026, approximately 98% of the eligible Inclusive Finance portfolio remained covered under CGFMU cohorts, with receivables of ₹508 crore under the scheme.

The benefits of these actions began to emerge during the year. The current bucket Collection efficiency for Inclusive Finance improved to ~99.6% towards end of the March 2026 while newer loan cohorts originated under enhanced underwriting frameworks delivered collection efficiency of ~ 99.7%.

Importantly, these efforts translated into measurable improvements in overall asset quality. Gross NPA improved to 6.5% from 7.2%, while Net NPA improved to 4.2% from 4.6%. As we continue to expand our secured lending businesses, maintaining underwriting discipline remains equally important. Our growth strategy remains anchored on prudent risk management, robust portfolio monitoring, data-driven decision making and continuous strengthening of our control framework.

The Bank closed the year with a Capital Adequacy Ratio of 20.5% and Tier I Capital of 19.6%, providing a strong foundation to support future growth opportunities while maintaining balance sheet resilience.

FY27 Priorities and Accountability

As we look ahead, our priorities remain clear.

We will continue to improve asset quality within our Inclusive Finance business while accelerating the growth of our secured lending portfolio. Strengthening our retail deposit franchise, deepening customer engagement and scaling our digital banking ecosystem will remain key strategic focus areas.

Within Retail Assets, we expect continued momentum in Mortgages, Commercial Vehicles and MSME. We also intend to further scale our digital acquisition engines across deposits and credit products while continuing to invest in technology, analytics and operational capabilities. We will strengthen our digital capabilities to provide innovative solutions to our customer base.

The investments we have made over the past few years have created a strong platform for growth. The focus now is on converting these investments into higher productivity, stronger operating leverage and sustainable profitability.

Closing Note

FY26 was a year of strengthening the franchise while creating multiple engines for future growth. Our portfolio is more diversified, our funding base is stronger, our digital capabilities are deeper and our risk management framework is more robust.

Overall, with a largely CGFMU-covered unsecured book, a growing base of granular retail assets across Commercial Vehicles, Mortgages and Micro Housing Loans, a strengthening deposit franchise and a robust digital infrastructure, we believe Suryoday is firmly on the right path to building a resilient, long-term oriented institution.

Many of the strategic initiatives undertaken over the past few quarters, including the transition from Joint Liability Group lending to the Vikas Loan model and the build-out of our digital ecosystem anchored around products such as Credit Line on UPI, secured cards and digital deposits, are now beginning to demonstrate tangible results.

With growth momentum, disciplined credit processes, improving operational efficiency and increasing digital adoption, we believe FY27 will be a year of building consistency and strengthening execution, setting the stage for healthier, sustainable growth and improved profitability over the long term.

I would like to express our sincere gratitude to our customers for their trust, our shareholders for their continued confidence and our dear employees for their dedication, commitment and contribution towards Suryoday's continued progress.

Warm regards,

Baskar Babu Ramachandran
Managing Director and Chief Executive Officer
Suryoday Small Finance Bank Limited

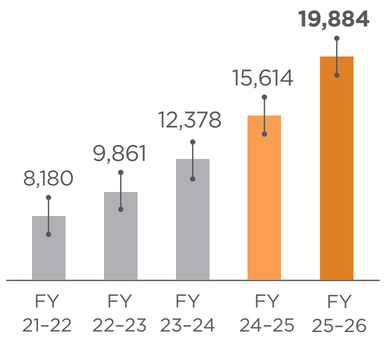
Performance Review

Progress Backed by Strong Fundamentals

Balance Sheet Metrics

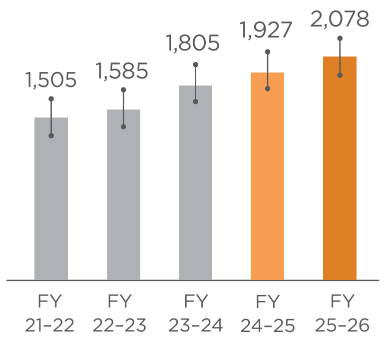
Total Assets

(₹ Crores)



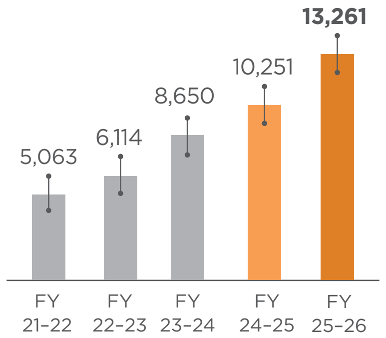
Shareholders' Fund

(₹ Crores)



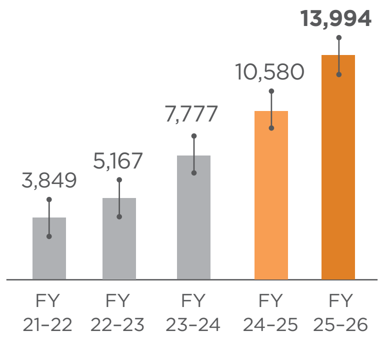
Gross Loan Portfolio

(₹ Crores)



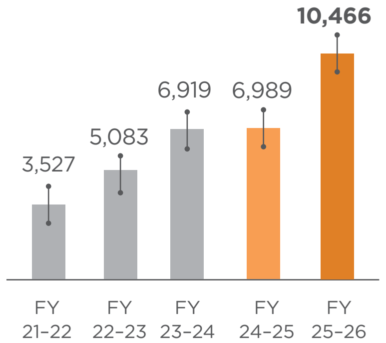
Deposits

(₹ Crores)



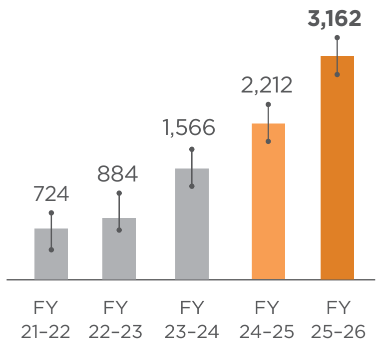
Disbursements

(₹ Crores)



CASA

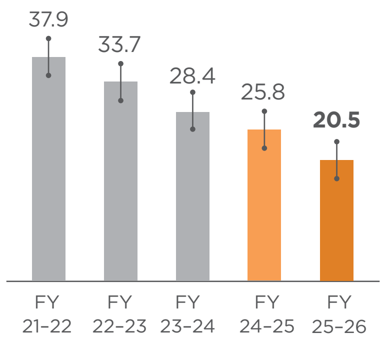
(₹ Crores)



Key Ratios

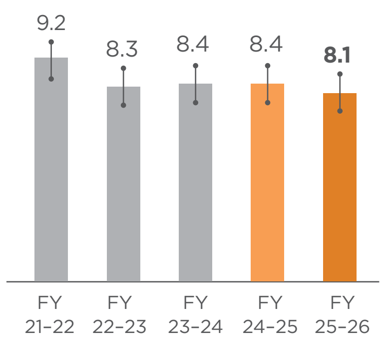
CRAR

(%)



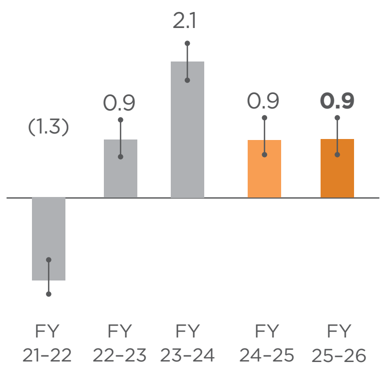
Operating Expense as % of Gross Advance

(%)



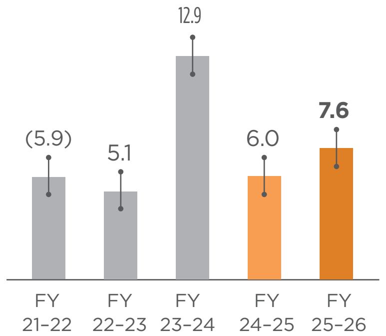
ROA

(%)



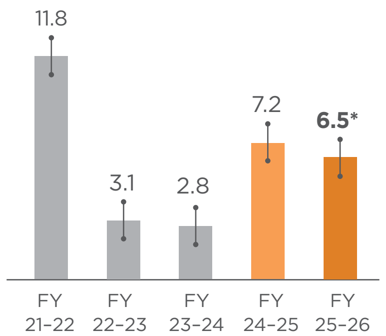
ROE

(%)



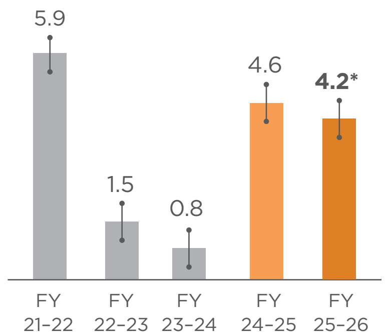
GNPA

(%)



NNPA

(%)

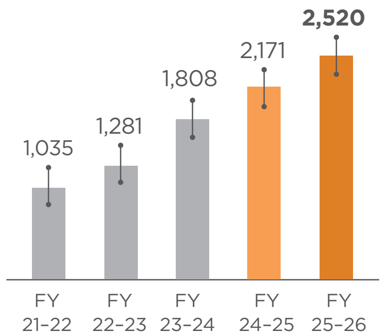


* As of Mar'26, GNPA ₹864.2 Cr, NNPA ₹541.9 Cr, against which ₹508.0 Cr is receivable under CGFMU scheme

Profit and Loss Metrics

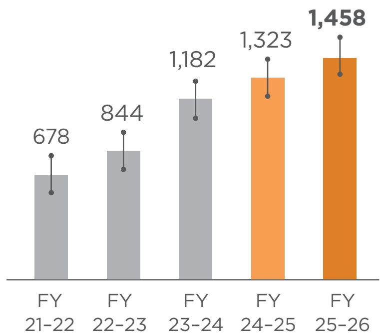
Revenue

(₹ Crores)



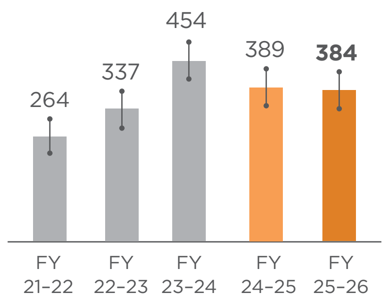
Net Total Income

(₹ Crores)



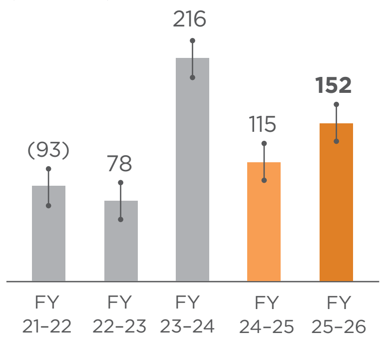
Pre-provisioning Operating Profit

(₹ Crores)



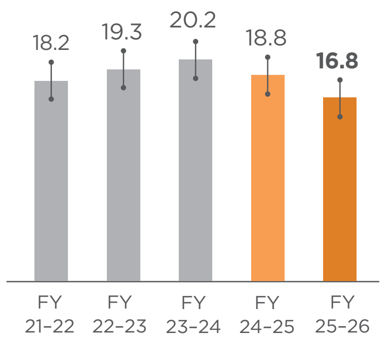
Profit After Tax

(₹ Crores)



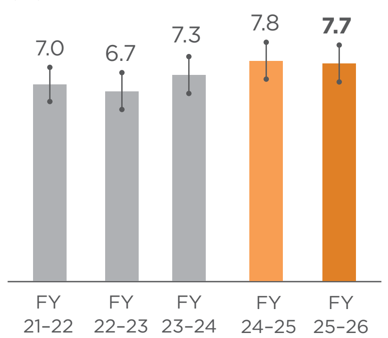
Yield on Advances

(%)



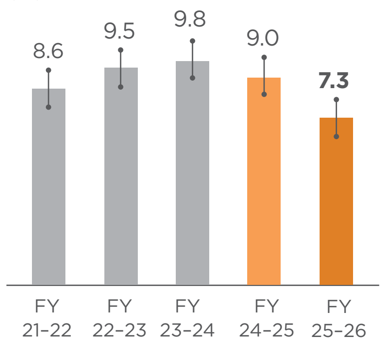
Cost of Funds

(%)



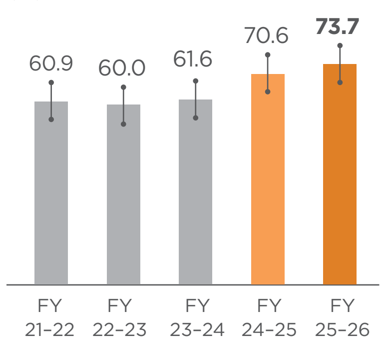
Net Interest Margin

(%)



Cost-to-Income Ratio

(%)



Our Offerings

Banking Solutions for Every Aspiration

Inclusive Finance

Joint Liability Group (JLG)

Vikas Loans (VL)

New-to-Bank VL

45%
of total book

Key metrics

₹5,964 Cr
Gross advances

17.2%
YoY growth

75%
Vikas Loan share

~98%
CGFMU coverage

12.7% / 8.2%
GNPA / NNPA

Business overview

- JLG (25% of IF) group loans; average ticket size ₹52K; entry-level product for urban & semi-urban households
- Vikas Loans (75% of IF) individual loans; average ticket size ₹94K; graduating JLG customers post 2-year curation
- NTB VL direct new-to-bank sourcing; ₹246 Cr disbursed in Q4 FY26 alone
- 42% of VL collections via UPI / standing instruction; shift to digital repayment
- Robust underwriting via analytics, credit profiling & CGFMU guarantee coverage >98% since FY23

Strategy and way forward

- Continue pivot from JLG to individual Vikas Loans targeting 75%+ share of IF book
- NTB Vikas Loan to replace JLG as a sourcing engine.
- Deepening in existing locations and expansion to new locations through micro-market strategy
- Maintain ~100% CGFMU coverage on eligible portfolio for de-risking
- Data-driven RO prioritisation: targeted visits by due amount, risk & location
- FY27 guidance: IF book ~₹7,500 Cr (+25% YoY); 45% of total book

Mortgages

Housing Loans (HL)

Loan Against Property (LAP)

Micro Mortgage

~45% (5 yrs)
CAGR

Key metrics

₹3,013 Cr
Gross advances

37.8%
YoY growth

2.2%
GNPA

1.8%
NNPA

750+ EE
100+ LOC
Team & footprint

Business overview

- Housing Loan AUM stands at ₹833 Cr, product for semi-prime/urban affordable segment; avg ticket size ₹21L; hybrid distribution
- LAP AUM stands at ₹1,577 Cr, product for semi-prime/urban affordable segment taken for business purpose avg ticket size ₹27L; Prime LAP stands at ~52% of mortgage book
- Micro Mortgage AUM stands at ₹603 Cr, product for affordable/semi-urban segment; avg ticket size ₹7L; 100% in-house sourcing
- Centralised underwriting for large loans; digital TAT reduction for retail
- PCR: HL 23.9% · LAP 17.0% · Micro Mortgage 15.2%

Strategy and way forward

- Deepen portfolio in existing micro-markets; expand prime LAP share
- Leverage cash flow-based underwriting to strengthen risk assessment and expand lending to self-employed customers
- Deepening existing micro-banking customer base through Micro LAP
- Risk profiling & data insights to tailor product mix per micro-market
- Distribution - Hybrid, In-house, Branches, connectors, DSAs

Vehicle Finance

Commercial Vehicles

Construction Equipment

Used Car

~39% (5 yrs)

CAGR

Key metrics

₹1,819 Cr

Gross advances

36.2%

YoY growth

1.1%

GNPA

0.7%

NNPA

550+ EE
125+ LOC

Team & footprint

Business overview

- Used CV ~70% of portfolio focus area within ₹5.6L Cr total CV market
- CV: hub & spoke distribution; CE: dealer & partnerships; Cars: dealer partnerships
- Avg tickets: CV ₹13L · CE ₹15L · Cars ₹7L; Tier 1, 2 & 3 geographies
- 90%+ retail in CV; expanding into rural Tier 3 & 4 locations
- CV PAR 10.1% ahead of industry benchmarks
- Little stress was seen in H1 FY26, with recovery starting in the latter half of H2 FY26

Strategy and way forward

- Data-driven underwriting with automated validation; TAT reduced to 4 hours
- Pre-approved express loans & top-up loans to reduce acquisition cost
- Distribution through hub & spoc model and enhancement in Customer experience.
- Scaling Used Cars

Digital Banking

Digital Deposits

Credit Line on UPI (CLOU)

Secured Credit Cards

Construction Equipment

Digital MSME Loan

2X Growth (Vs FY25)

Digital Deposits

Key metrics

₹1,672 Cr

Digital deposit book

~50%

Of incremental deposits

~11 Lakh

CLOU pre-qualified customers

37,723

Secured Credit Card Holders

₹165+ Cr

Digital MSME Loan book

Business overview

- Digital deposits scaled ~3x FY25→FY26 with ₹6 Cr/day run rate and 1.5 Lakh total customers
- CLOU: credit limit upto ₹ 60,000; avg sanction ₹ 7,000; ~90% customers with CIBIL >725
- Secured credit card: FD-backed; 37,723 cards issued; 26.5% of Digital FD Customer
- MSME Loan end-to-end digital underwriting; 1-min pre-approval for loans <₹5L
- Gen AI for hyper-personalised lending & advisory; V-KYC paperless onboarding

Strategy and way forward

- 3-year tech roadmap: tech-led, super-scale, customer-first bank
- Leveraging digitally acquired customer base 'bank within a bank' model
- Partnership-led approach with fintechs for low CAC digital acquisition
- Expand CLOU traction; build own customer journeys for secured credits cards and other products
- FY27 target: 2x growth in both digital deposits & CLOU

FIG and Supply Chain Finance

Financial Institutions Group | Vendor Financing | Corporate Lending

Key metrics

₹1,424 Cr

FIG book

0.05%

FIG GNPA

₹407 Cr

SCF book

Business overview

- FIG: corporate lending to NBFCs & corporates; direct sourcing
- SCF: vendor financing for SME/MSME ecosystem, zero deliquency
- Balanced approach on high-ticket size FIG lending and restricted to as % of advances

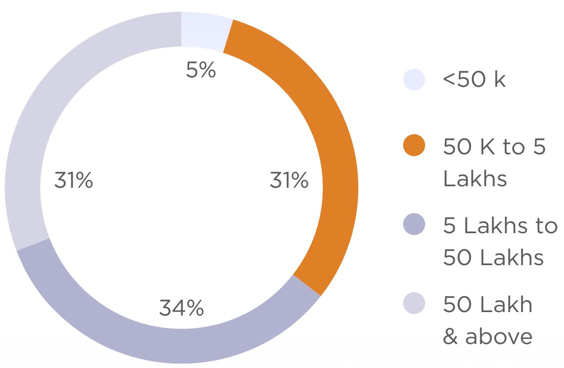
Strategy and way forward

- Expand SCF partnerships with anchor corporates & supply chain networks
- FIG will continue as a balance sheet product, and will keep on serving diversified customers with balanced ticket size

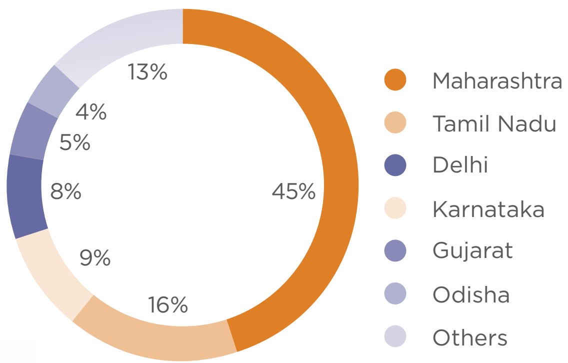
13.8%

FIG & SCF as % of total advances

Retail Deposit (Incl CASA) Average Ticket Size



Geographic diversification of Deposits



Liabilities and Deposits

CASA | Digital FD
Retail TD | Double Joy Deposits
Bulk Deposits

+32.3%

YoY growth

Key metrics

₹13,994 Cr

Total deposits

22.6%

CASA ratio

86.0%

Retail deposit mix

7.7%

Cost of deposits

2 Mn+ Cust
850+ EE
137 Branches

Scale

Business overview

- Retail TD ₹8,877 Cr , CASA ₹3,162 Cr , Bulk deposits ₹1,955 Cr as of Mar'26
- Goal based saving products, Exclusive offers, Easy-to-use banking services
- Higher deposit rates, Low cost banking services
- Customer Segment : Aspiring middle-class, Sr. Citizens, HNIs , TASC
- Products: CASA, TD, DJD, secured credit card, QR-linked current account, escrow products

Strategy and way forward

- Continue mobilising CASA; drive digital sourcing via fintech partnerships
- Deepen asset-customer cross-sell for full-fledged banking relationships
- Leveraging MSME customers for driving liabilities
- Moving towards more and more 100+ & 500+ Cr branches and focusing on existing branch productivty and deepening
- Strengthen deposits via lean/ full service branches & digital channel
- FY27 guidance: deposit growth 30–35%; CASA to strengthen further

Operating Environment and Strategy

Balancing Growth, Risk and Opportunity

The banking landscape is being shaped by regulatory shifts, changing customer expectations and increasing digital adoption. In response, we remain focused on strengthening our retail banking franchise through disciplined risk management, portfolio diversification and technology-led capabilities. By balancing financial resilience with customer-centric innovation, we continue to build a scalable and future-ready institution positioned for sustainable long-term growth.

Evolving Landscape for Small Finance Banks

The operating environment for SFBs continues to evolve amid shifting macroeconomic shifts, tighter regulatory oversight and changing customer dynamics. The microfinance sector has undergone a phase of recalibration, driven by borrower overleveraging, socio-political developments and a renewed industry-wide focus on underwriting discipline.

At the same time, rising aspirations and improving financial awareness are accelerating the shift towards formal and diversified financial products. This shift is creating opportunities for institutions that can balance responsible lending with customer-centric innovation while maintaining operational resilience and disciplined risk management.

Our Response

We have proactively strengthened our business model and refined our strategic priorities to build a more resilient organisation. Our key focus area includes

- Transitioning from group-based lending to a more individualised and quality-focused lending approach
- Accelerating the growth of secured assets to enhance portfolio resilience
- Building a diversified, granular loan book across customer segments
- Strengthening underwriting frameworks and collection mechanisms to improve asset quality
- Continuous investment in IT infra & digital will play a key role but at the same time productivity improvement should reduce investment cost.

Changing Customer Preferences and Digital Adoption

Customer expectations are changing rapidly, with increasing demand for seamless, convenient and personalised banking experiences. Digital adoption continues to gain momentum across both urban and semi-urban markets, as customers increasingly preferring integrated, mobile-first financial solutions that offer greater accessibility and efficiency.

Our Response

We are investing in the development of a robust phygital ecosystem that combines digital agility with an extensive physical presence. Suryoday prioritises

- Scaling up digital deposit acquisition, including strong traction in digital fixed deposits
- Enhancing mobile and internet banking platforms for improved customer experience
- Introducing digital-led credit solutions, including credit on UPI & secured credit card
- Leveraging technology to enable efficient customer onboarding and service delivery

Liquidity, Capital and Risk Discipline

The banking sector continues to operate in a liquidity-conscious environment, with heightened regulatory focus on capital adequacy, governance and risk management. For SFBs, maintaining a strong capital base and prudent liquidity management remains essential to sustaining growth, supporting innovation and preserving sound asset quality.

Our Response

We continue to strengthen our financial and risk management framework through the following measures

- Maintaining a comfortable capital position, with CRAR at 20.5%, well above regulatory requirements
- Ensuring balanced liquidity management supported by a diversified deposit base
- Strengthening the liability franchise through a higher contribution from granular retail and digital deposits
- Enhancing risk governance through improved credit monitoring and portfolio oversight
- The CGFMU initiative has provided us with a cushion against unforeseen risks and has helped us navigate challenges during periods of MFI stress. It will continue to cover ~100% of the portfolio under the CGFMU scheme.

Building a Future-Ready Franchise

We continue to advance towards a diversified, retail banking model, supported by strong fundamentals, disciplined execution and a clear long-term vision for growth.

Our Strategic Focus

- Driving sustainable growth through the diversification of assets and liabilities
- Enhancing portfolio quality and risk-adjusted returns
- Expanding digital capabilities to strengthen customer reach and engagement
- Strengthening our position as a trusted financial partner for underserved and emerging segments

Business Model

The Engine Behind Sustainable Growth

Inputs

13,994 Crores
Total deposit base

Strong capital position (CRAR: **20.5%**)

4.2 Million
Customers across segments

Strong presence in underserved and emerging markets

717
Banking outlets across 16 states and UTs respectively

Deep rural and semi-urban penetration

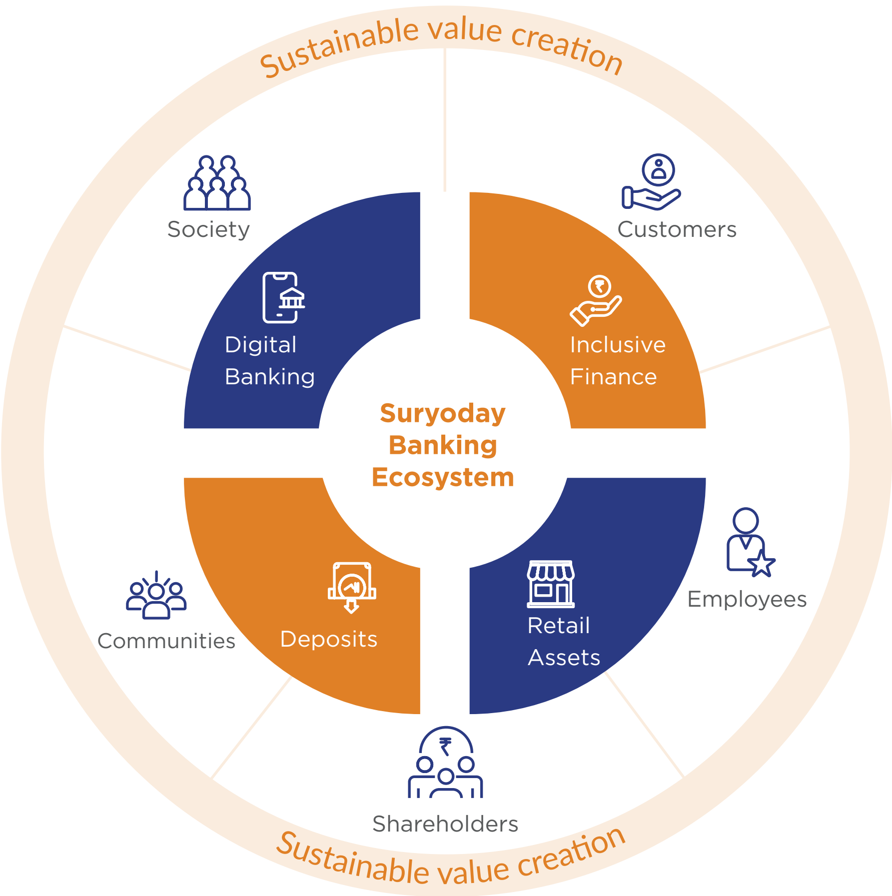
8500+
Employees across retail, inclusive finance and secured verticals

100 %
of IF customers are women

Financial literacy outreach and PMJJY/PMSBY integration

Local language campaigns and high NPS

Processes



Core Growth Pillars

Micro-banking

- Financial inclusion through Vikas Loans and JLG models
- Strong underwriting and customer profiling
- Expansion of banking access

Digital-focused Banking

- Digital deposits
- Credit on UPI
- FD-backed secured credit cards
- Digital customer journeys

Granular Retail Focus

- Mortgage and vehicle finance offerings
- Secured portfolio growth
- Diversified retail solutions

Outputs

10,466 Crore
Disbursements

152 Crore
PAT

- Scalable disbursement growth across inclusive finance and retail assets
- Enhanced cross-sell opportunities (assets + liabilities)
- Strong customer retention and lifecycle value

Improving Asset Quality

- Stabilisation in microfinance portfolio
- High collection efficiency in new book

4.2 Mn customers

- Digital became the customer acquisition engine for good quality customers (VKYC onboarded).
- Shift from JLG to VL led to improved credit underwriting.
- Cost leverage to improve profitability.

Risk Management

Strengthening Resilience Through Vigilance

The financial services landscape is creating new demands for operational risk management. Rapid technological advancements, greater data availability and emerging business models are reshaping the way banks serve customers, engage with third parties and manage internal operations. In this environment, maintaining a disciplined and policy-driven risk management framework has become increasingly critical.

At Suryoday, risk management remains embedded across the organisation through strong oversight at both the Board and management levels. Our approach is focused on early risk identification, portfolio diversification and the continuous strengthening of underwriting standards to support prudent and sustainable growth.

In addition, a strong risk culture supports informed decision-making and ensures that risk considerations remain integral to both strategic planning and day-to-day operations.

Core Elements of Risk Management Framework

We maintain a comprehensive, four-tier risk oversight mechanism comprising

Compliance Monitoring

Ongoing oversight to ensure adherence to regulatory requirements and internal processes

Internal Audit Reviews

Planned audits of operations and critical processes to identify gaps and reinforce control mechanisms

Board-Level Reporting

Regular reporting to the RMCB and the Board to facilitate continuous oversight of regulatory and process compliance

Risk Policy Evaluation

Periodic assessment and updates of risk policies to align with business dynamics and regulatory expectations

Key Focus Areas

We maintain a comprehensive, four-tier risk oversight mechanism comprising

Microfinance Portfolio Management

- Strengthened customer selection and underwriting practices
- Continued transition from JLG to individual lending (Vikas loans)
- Focus on improving collection efficiency across the portfolio
- CGFMU coverage for unforeseen event

Portfolio Diversification

- Increased share of secured lending, including commercial vehicle, mortgage and MSME segments
- Expansion across multiple asset classes to reduce dependence on microfinance

Deposit Franchise Strengthening

- Continued focus on retail deposit mobilisation
- Growth in digital deposit offerings, supporting liability diversification

Credit Risk Monitoring

- Ongoing tracking of slippages, portfolio behaviour and concentration risks
- Use of internal monitoring systems and credit models to assess risk exposures

Liquidity and Balance Sheet Management

- Monitoring of deposit mix, funding profile and liquidity position
- Active management through ALCO to align with market conditions

Information Technology

Creating Smarter, Faster and More Accessible Banking

Today, SFBs stand at a critical juncture, where the strategies they adopt will play a defining role in advancing inclusive growth. In line with this vision, we have continued to support scalable growth, enhance customer experience and improve operational efficiency.

As the industry navigates increasing regulatory compliance, growing adoption of AI and large-scale system upgrades, technology investments are expected to remain a key priority. Against this backdrop, our focus has remained on expanding digital capabilities across both assets and liabilities while reinforcing the resilience, reliability and security of our technology architecture.

Strengthening the Technology Backbone

We made targeted investments in strengthening our core technology infrastructure, particularly across

- Core Banking Systems (CBS)
- Middleware architecture

These enhancements have enabled the development of a more agile and modular technology stack, facilitating faster integration with external partners and quicker rollout of digital products. As a result, we have strengthened our ability to innovate, and respond to evolving customer needs.

Scaling Digital Platforms and Field Enablement

Our digital platforms continue to play a critical role in improving productivity and boosting customer engagement across the organisation.

- Suryoday On and Suryoday Mitra have enabled
  - Faster customer onboarding
  - Improved servicing capabilities
  - Enhanced cross-selling at the field level

These platforms are particularly relevant in our operating model, where assisted journeys continue to remain important while becoming increasingly digitised. This transition has contributed to greater operational efficiency, improved turnaround times and enhanced consistency in service delivery.

Driving Digital-Led Product Innovation

We expanded our suite of digitally enabled offerings across both assets and liabilities, strengthening accessibility, convenience and customer engagement.

- Digital deposit products enabling seamless customer acquisition
- Credit line on UPI, improving accessibility to credit
- Secured credit cards, supporting deeper product penetration

These offerings are helping us strengthen customer relationships while enhancing convenience and expanding our reach across diverse customer segments.

Leveraging Digital Partnerships

We continued to build a partnership-led digital ecosystem, enabling us to

- Access new-to-bank customer segments
- Improve sourcing efficiency across products
- Scale offerings without proportionate expansion in physical infrastructure

These partnerships are supported by our strengthened technology architecture, enabling seamless integration and faster deployment of solutions.

Enhancing Customer Acquisition and Engagement

Digital channels are playing an increasingly important role in strengthening customer acquisition and engagement through

- Customer acquisition through digital-first onboarding journeys
- Deposit mobilisation supported by improved accessibility and convenience
- Loan sourcing enabled by faster processing and better lead conversion

At the same time, our phygital model ensures that digital capabilities are complemented by strong on-ground engagement, enabling us to deliver both trust and convenience.

Our Way Forward

Going forward, we will continue to focus to strengthen our phygital distribution model and expand digital product offerings and strategic partnerships. We also remain focused on leveraging technology to improve efficiency, enhance scalability and deliver a superior customer experience across all touchpoints.

Digital Transformation

From Investment to Results

Banks are continuously innovating to advance digitisation and deliver a more accessible customer experience, enabling greater control over personal finances. The future of banking in India is centred on transparency, security and convenient access to support without the need to visit a branch. At Suryoday SFB, we are committed to delivering seamless customer journeys across our products and services. By enhancing digital capabilities across payments, deposits and retail credit, we have strengthened our digital franchise while complementing our broader phygital banking model.

Credit Line on UPI (CLOU)

We have established a leading position in Credit Line on UPI (CLOU) not only among SFBs but across the wider banking industry. Our early-mover advantage, supported by strong digital capabilities and deep customer relationships, has enabled us to scale the proposition rapidly and build a differentiated position within the UPI ecosystem.

During FY 2025-26, our active CLOU customer base grew to **5.31 lakh customers,** reflecting strong adoption of a seamlessly integrated credit solution embedded within everyday digital payments. Customer engagement remained robust, with utilisation reaching **₹274 crore** and active users recording average utilisation of approximately ₹**4,200 per customer.** This underscores the growing role of CLOU in customers' day-to-day financial transactions, evolving beyond an acquisition-led offering into a regularly used credit product.

5.31 Lakh

Active CLOU Customers

₹274 Cr

Amount Utilised Through CLOU

₹4200

Average utilisation per customer

Digital Deposits

Digital deposits remained a key driver of customer acquisition and liability mobilisation during FY 2025 -26. Our digital fixed deposit platform enabled us to acquire over **one million new-to-bank customers,** demonstrating the growing appeal of our digital offerings and our ability to extend customer reach.

Despite declining interest rates, digital deposit mobilisation maintained strong momentum. Retail fixed deposits sourced through digital channels grew by **199% year-on-year,** reaching ₹**1,672 crore.** This performance reflects increasing customer trust, a seamless onboarding experience and the increasing contribution of digitalisation.

₹1,672 crore

Digital Deposits Book

1 million+

New-to-Bank Customers Acquired Digitally

199%

YoY Growth in Digital Deposits

Secured Credit Cards

Our secured credit card proposition is built on a differentiated co-brand partnership model that combines customer acquisition, credit engagement and deposit mobilisation within a single ecosystem. By partnering with leading brands across retail, lifestyle and fintech platforms, we continue to attract first-time credit card users and underbanked customers while deepening customer relationships.

The introduction of UPI on Credit Card further enhanced customer engagement, driving higher transaction volumes as customers increasingly adopted the card for routine transactions and everyday spending. A distinctive feature of this proposition is its direct linkage with deposit mobilisation, with every secured credit card backed by a fixed deposit. This creates a strong deposit base, enhances customer stickiness and contributes meaningfully to liability mobilisation.

35,831

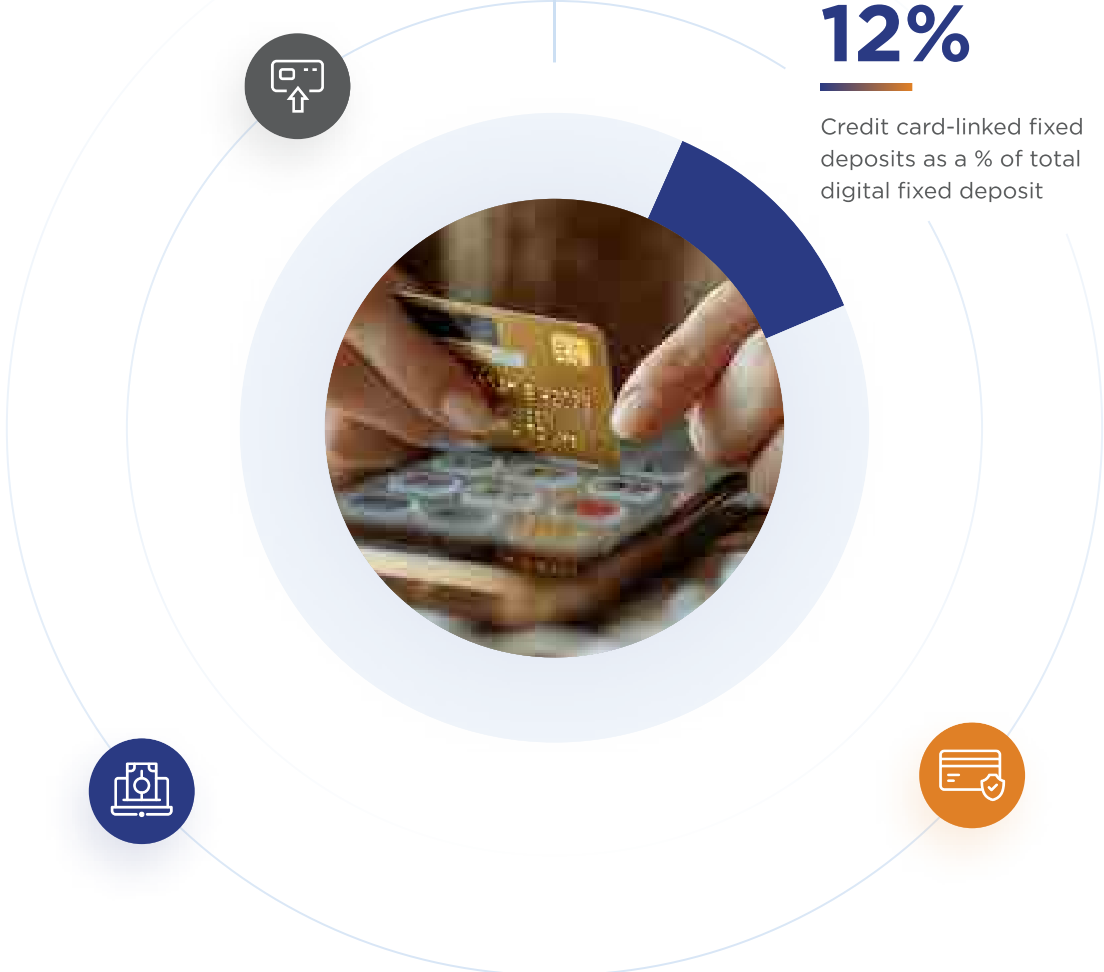
Secured Credit Cards Issued

₹153 Cr

Card Outstanding

₹187 Cr

Credit Card-linked Fixed Deposits



12%

Credit card-linked fixed deposits as a % of total digital fixed deposit

Our People

Building Stronger Teams for a Better Future

Our teams remain the driving force behind the organisation's continued growth and progress. As we evolved into a more diversified SFB, our people strategy also underwent a calibrated transformation from scale-led hiring to a more capability-driven workforce model. The ROI of this transition is reflected in the creation of specialised talent pools, improved productivity and a stronger, more resilient workforce.

We follow a holistic approach that places strong emphasis on the well-being of employees and their families while fostering an inclusive and supportive work environment. At the same time, the Bank remains committed to providing meaningful learning and development opportunities that empower individuals to build fulfilling and long-term careers with us.

8500+
Total employees

717
Total outlets

16
States and union territories

Talent Acquisition

As the Bank expanded its presence across secured lending, liabilities and digital banking businesses, it strives to build a more capability-focused workforce model. During the year, we continued to strengthen specialised talent pools across

- MSME and LAP businesses
- Mortgage and commercial vehicle financing
- Retail liabilities and branch banking
- Digital banking, analytics and technology functions

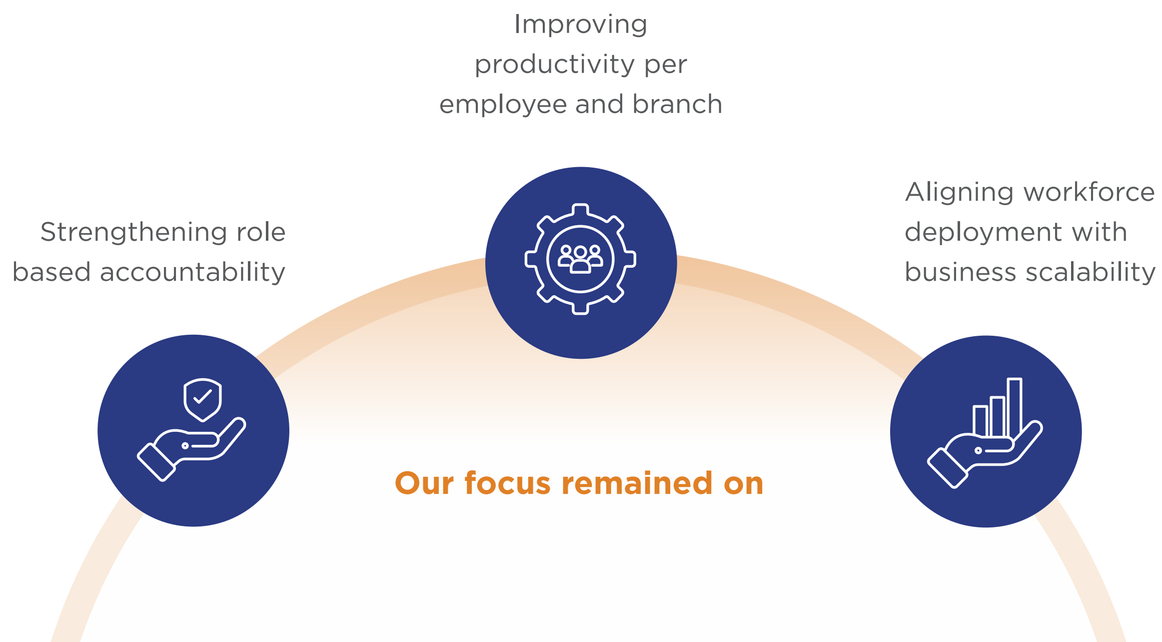
425
Internal promotions

Did you know?

At the same time, we adopted a balanced 'Build vs. Buy' approach to talent development. While lateral hiring facilitated rapid capability infusion in specialised areas such as credit, analytics and digital banking, we also continued to invest in internal talent pipelines to strengthen leadership continuity and long-term organisational capability.

Productivity-Led Workforce Planning

Our workforce planning remained closely aligned with business productivity and operating efficiency metrics, rather than focusing solely on headcount expansion. This ensured that talent growth remain calibrated to portfolio productivity, customer acquisition efficiency and cost optimisation objectives.



Hiring and Workforce Development

Hiring initiatives during the year were strategically aligned with the Bank's diversification strategy and expansion across secured lending businesses. Focused hiring was undertaken across MSME, Housing Finance, LAP and Commercial Vehicle businesses, particularly in underwriting, sales and collections functions.

Simultaneously, we continued to strengthen frontline and branch banking teams to support

- Deposit mobilisation
- Relationship-led customer acquisition
- Customer servicing and engagement
- Cross-selling initiatives

These efforts have enabled us to build stronger customer-facing capabilities while improving execution across business segments.

Understanding Local Markets

As we are broadening our geographical footprint across semi-urban and rural markets, we continued to adopt a local hiring model to strengthen customer engagement and regional responsiveness. This strategy has helped improve

- Customer connect and trust
- Productivity and retention
- Market understanding and responsiveness

Branch Workforce Optimisation

During the year, we improved branch staffing structures through sharper role differentiation and improved workforce alignment across functions. Dedicated roles such as Acquisition Managers, Relationship Managers and Assistant Branch Managers were introduced to create greater focus across customer acquisition, servicing and operational responsibilities.

At the same time, the Bank continued to leverage hub-and-spoke and cluster-based operating structures to improve supervisory efficiency, strengthen productivity management and improve decision-making effectiveness across regions.

Capability Building and Upskilling

With increasing focus on individualised and secured lending, capability building across credit and underwriting functions remained a key priority. We continued to invest in strengthening underwriting standards and analytical capabilities through structured learning and certification programmes.

1,404
Employees Trained through segment specific programs

3,603
Frontline Staff Trained

Key interventions included

- Certification programmes across MSME, mortgages and commercial vehicle businesses
- Standardised underwriting frameworks and risk assessment tools
- Portfolio reviews and case-based learning mechanisms

Segment-Specific Learning Initiatives

As our product portfolio diversified, we introduced dedicated learning tracks across MSME, Housing Loans, LAP, commercial vehicles

These programmes focused on boosting product knowledge, credit appraisal and regulatory compliance awareness, enabling employees to develop deeper domain expertise and improve business execution capabilities.

In parallel, frontline teams underwent focused training programmes covering

- Customer engagement
- Relationship management
- Service excellence
- Cross-selling capabilities

These initiatives were aligned with the Bank's broader deposit-led growth strategy and aimed at strengthening customer relationships while enhancing service delivery across touchpoints.

Digital Capability Enhancement

As digitalisation became increasingly integral to our operating model, we continued to strengthen employee readiness across technology-enabled platforms and tools. Training programmes during the year focused on enhancing proficiency across LOS/LMS platforms, analytics dashboards, digital onboarding tools and sales enablement systems, enabling employees to improve operational efficiency, decision-making and customer service delivery.

Diversity, Equity and Inclusion (DEI)

We foster diversity across the organisation by increasing participation of women employees across frontline and customer-facing roles, particularly within branch banking operations. Simultaneously, we continued to provide opportunities for fresh talent and young professionals, supporting the development of a future-ready workforce aligned with the Bank's changing business requirements.

During the year, we prioritised

- Flexible work practices
- Mentoring and development support for women employees
- Employee safety and well-being initiatives

11%

Women representation in workforce

Employee Engagement and Culture

We remain committed to building a culture anchored in performance, ethics and accountability. Structured employee listening mechanisms, including engagement surveys and feedback forums, continued to strengthen communication, collaboration and organisational alignment across teams.

Focus areas include

- Performance-linked accountability
- Learning and career progression opportunities
- Ethical conduct and compliance
- Recognition and reward programmes
- Transparent communication

87%

Employee Engagement score

11,500

Recognition awards

Our Way Forward

As we progress towards becoming a more diversified and digitally empowered institution, our focus remains on nurturing a high-performing workforce equipped with strong domain expertise, customer understanding and growing digital capabilities. We will continue to strengthen organisational agility and build leadership depth to support the Bank's next phase of sustainable growth.

CSR

Making a Difference Where it Matters Most

Nine years ago, our journey began with a simple aspiration — to place smiles at the heart of banking. As we came together to celebrate this milestone as the 'Bank of Smiles', we reflected on the trust, relationships and shared experiences that have shaped our journey over the years.

Our commitment extends beyond financial performance and is guided by the collective spirit of our teams and the inspiring leadership that continues to drive our purpose-led approach.

This philosophy is reflected in our CSR initiatives, which focus on healthcare, education, livelihood development and environmental responsibility, ensuring that our programmes address meaningful and evolving community needs.

₹2,02,76,328
CSR Spend

7
Projects

91,916+
Beneficiaries

3
States Covered

Focus Areas

Healthcare

We support access to quality healthcare services through

- Medical camps and health awareness programmes
- Support for preventive healthcare initiatives
- Community outreach to improve health access in underserved regions

Education and Skill Development

Our initiatives are aimed at building long-term capabilities within communities

- Support for educational programmes and infrastructure
- Skill development initiatives to enhance employability
- Financial literacy programmes to promote responsible financial behaviour

Livelihood and Community Development

We focus on building economic resilience by

- Supporting income-generating activities
- Enabling entrepreneurship among underserved segments
- Promoting financial inclusion through awareness and engagement

Environmental Responsibility

We integrate environmental considerations into our CSR efforts by:

- Promoting awareness around sustainable practices
- Supporting initiatives aligned with environmental conservation
- Encouraging responsible resource utilisation

FY 2025–26 Progress

We continued to expand our CSR footprint through targeted interventions across our key focus areas, delivering measurable progress in community outreach and social impact.

Financial Literacy and Inclusion

Ujjwal – Financial Literacy for Students

We continued to raise financial awareness among young individuals through Ujjwal, a targeted initiative designed for students aged 14–20. The programme equips participants with essential financial knowledge, enabling them to make informed decisions at an early stage of life. Implemented across Maharashtra, Tamil Nadu and Odisha, the initiative has reached **24,352 beneficiaries,** contributing to the development of a financially aware future generation.

Adhira – Financial Empowerment of Domestic Workers

Through Adhira, we focused on empowering domestic workers by combining financial literacy with digital enablement. The programme facilitates access to formal financial systems, promotes savings behaviour and enhances digital confidence. With **25,627 beneficiaries,** the initiative plays an important role in building financial independence among vulnerable sections of society.

Swayamshree – Building Financial Capability for Parents

Swayamshree extends financial literacy to parents, enabling households to adopt stronger financial practices and improve long-term financial planning. By integrating digital awareness with financial education, the programme enhances decision-making at the family level. This initiative has positively impacted **19,826 beneficiaries,** fostering long-term financial resilience within communities.

Maharashtra, Tamil Nadu, Odisha

Healthcare Initiatives

Spandan – Health Interventions for Women and Adolescent Girls

Through Spandan, we addressed the intersection of financial awareness and physical well-being, focusing on women and adolescent girls. The programme promotes preventive healthcare and awareness, contributing to improved quality of life. During the period, it reached **10,209 beneficiaries,** reinforcing our commitment to holistic community development.

Mobile Dental Clinic Initiative (Chennai)

In collaboration with healthcare partners, we deployed mobile dental clinics to deliver accessible and preventive oral healthcare services. This initiative ensured doorstep medical support, particularly in underserved areas, enabling early diagnosis and awareness. Between April and September 2025, the programme served **10,266 beneficiaries,** significantly improving healthcare outreach.

Livelihood and Community Development

Udyogika – Supplementary Livelihoods

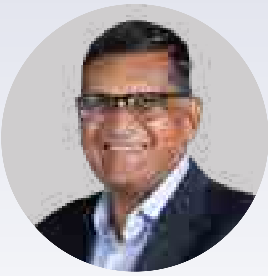
We supported **143 women** from low-income households by enabling supplementary livelihood opportunities through skill-based bag stitching initiatives. The products created by domestic workers gained strong market visibility, with dedicated exhibition stalls organised at leading institutions including Suryoday Small Finance Bank, HSBC Bank, Standard Chartered Bank and SBI Capital.

Vidya – Quality Education for All Children

Through Vidya, we continued to support students through counselling and educational assistance, ensuring improved access to quality learning opportunities. The programme, implemented across key states, has benefited **1,493 students,** contributing to long-term human capital development.

Board of Directors

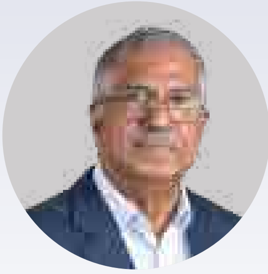
Steering Growth with Integrity and Expertise



Mr. Krishna Prasad Nair

Part-time Chairman, Independent Director

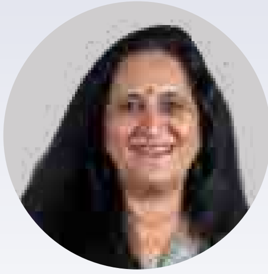
2 3 4 6 7 **9**



Mr. John Arunkumar Diaz

Independent Director

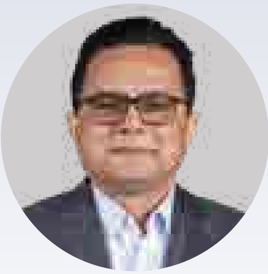
1 2 6 7 8 10 **4**



Mrs. Swati Rajendra Datye

Independent Director

3 8 9 10 **2** **5**



Mr. Deepak Kumar Sharma

Independent Director

1 4 5 7 8 **6**

Mr. Vivek Anant Karve

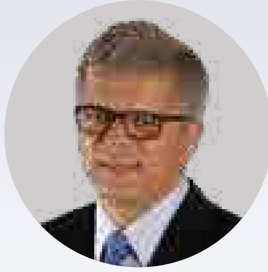
Independent Director

3 4 5 9 **1**

Mr. Sunil Satyapal Gulati

Independent Director

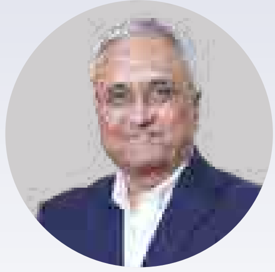
1 2 3 4 **7** **8**



Mr. Alok Sethi

Independent Director

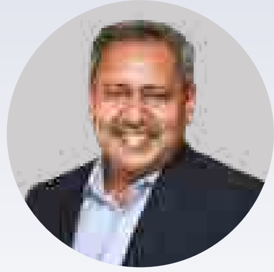
1 2 4 6 8 **3**



Mr. Ranjit Shah

Investor Director

1 2 3



Mr. Baskar Babu Ramachandran

Promoter, MD and CEO

4 6 7 8 **10**

Mr. Hemant Premchand Shah

Whole-time Director [Executive Director]

3 4 5 6 8 9

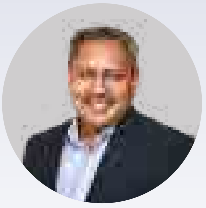
1. Audit Committee
2. Nomination and remuneration committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility and ESG Committee
6. IT Strategy Committee
7. Credit Committee of Board
8. Customer Service Committee
9. Special Committee of the Board for monitoring and follow up of cases of frauds
10. Board Committee for Review of Willful Defaulters

Member **Chairman**

Note: The above position is w.e.f. May 29, 2026.

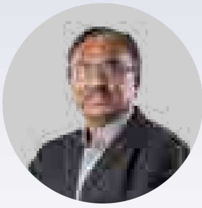
Management Team

Leadership that Inspires Confidence



Baskar Babu Ramachandran

MD & CEO

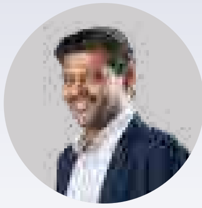


Hemant Shah

Executive Director

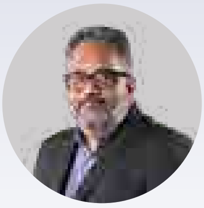
Kanishka Chaudhary

Chief Financial Officer



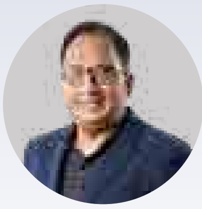
Senthil Kumar

CBO – IF, Wheels & Distribution



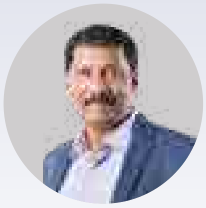
Vishal Singh

Chief Information Officer & Head – Digital Banking



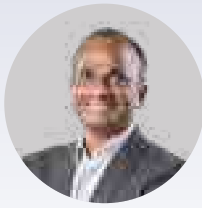
Gaurav Pawra

CBO – Retail Banking & Mortgages



Anand Balaji

Head – Micro Mortgages & Administration

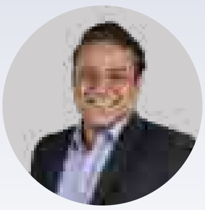


Sudhakar Mogera

Business Head – FIG, SCF & Partnership Business

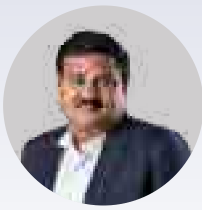
Radhika Gawde

Chief Credit Officer



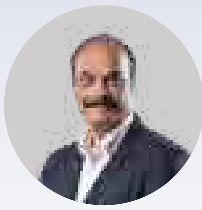
Nitin Kohli

Business Head – Inclusive Finance



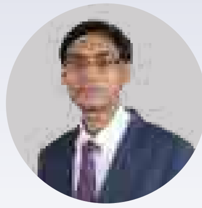
Jitender Kumar

National Sales Head – Commercial Vehicle Finance



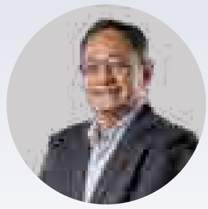
Upendra Chitre

Business Head - Branch Banking



Krishna Kant Chaturvedi

Company Secretary



Yogesh Dixit

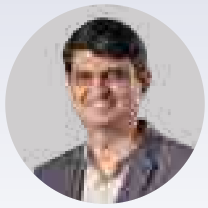
Chief Risk Officer

Sasidhar Vavilala

Head – Business Intelligence & Analytics

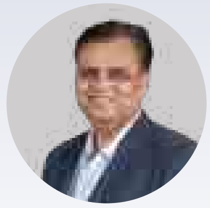
Shankar Surendran

Chief Compliance Officer



Gaurav Popat

Chief Audit Officer

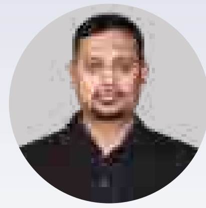


Pankaj Gulati

Chief People Officer & Head - CSR

Vikas Deshmukh

Chief Technology Officer

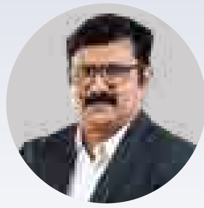


Kartik Krishnan

Head – Treasury

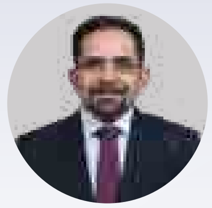
Aniket Sapre

Chief Product Officer



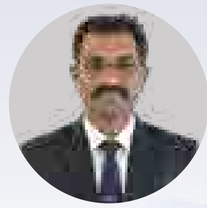
Pandurang Dixit

Head - Investigation & Operational Control



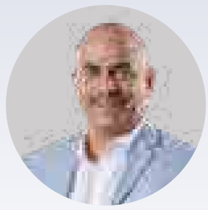
Amol Anaokar

Head - Legal



Sudheer Kamble

Chief Vigiliance Officer



Navdeep Panghal

Head - Marketing

Himadri Das

Head - IR & CEO's Office and Strategy

Our Policies

Principles that Shape Organisational Excellence

Policies and procedures are integral to building a well-governed and accountable organisation. They establish clear principles and boundaries that define acceptable practices, support consistent decision-making and align organisational activities with strategic objectives and core values.

By providing a structured framework for day-to-day operations, these guidelines help ensure regulatory compliance, strengthen internal controls and improve operational efficiency. They also support ethical conduct, transparency and responsible business practices while guiding stakeholder engagement across the organisation.

Category	Policies
Governance and Board Policies	Corporate Governance Policy
	Policy on Appointment of Directors and Senior Management Personnel
	Policy for Evaluation of Performance of Board
	Policy on Succession Planning
	Policy to Promote Diversity of Board of Directors
	Policy on Familiarisation Programmes for Independent Directors
	Archival Policy
	Policy on Determination of Materiality of Events

Category	Policies
Financial and Disclosure	Dividend Distribution Policy
	Related Party Transaction Policy
	Prevention of Insider Trading Policy

Category	Policies
Customer Policies	Policy on Customer Service
	Customer Compensation Policy
	Customer Grievance Redressal Policy
	Customer Protection Policy
	Policy on Cheque Collection
	Model Operational Procedure for Settlement of Claims for Deceased Depositor

Category	Policies
Employee and Conduct	Prevention of Sexual Harassment (POSH) Policy
	Code of Conduct applicable to Directors and Senior Management
	Compensation Policy
	Whistle Blower Policy
	Social Media Policy

Category	Policies
Sustainability and CSR	Corporate Social Responsibility Policy
	Social and Environmental Sustainability Policy

Category	Policies
Lending and Fair Practices	Comprehensive Deposit Policy
	Fair Practices Code (Available in English, Hindi, Marathi, Gujarati, Kannada, Oriya, Tamil)
	Collection and Recovery Policy

Awards and Recognition

AmbitionBox Employee Choice Awards (May 25)

Ecosystem-Led Innovation-Platinum Winner for Driving Digital Transformation to Modernize New Age Banking at the Infosys Finacle Innovation Awards (May)

Indian Banks Association (IBA) for Best Fintech Bank & DPI Adoptions and Digital Financial Inclusion. (January)

Corporate Information

Audit Committee of Board ("ACB")

Mr. Vivek Karve, Chairperson
Mr. Arun Diaz, Member
Mr. Deepak Kumar Sharma, Member
Mr. Ranjit Shah, Member
Mr. Sunil Gulati, Member
Mr. Alok Sethi, Member

Nomination and Remuneration Committee ("NRC")

Ms. Swati Datye, Chairperson
Mr. Arun Diaz, Member
Mr. Krishna Prasad Nair, Member
Mr. Ranjit Shah, Member
Mr. Sunil Gulati, Member
Mr. Alok Sethi, Member

Risk Management Committee of Board ("RMCB")

Mr. Arun Diaz, Chairperson
Mr. Vivek Karve, Member
Mr. Krishna Prasad Nair, Member
Mr. Deepak Kumar Sharma, Member
Mr. Hemant Shah, Member
Mr. Baskar Babu Ramachandran, Member
Mr. Sunil Gulati, Member
Mr. Alok Sethi, Member

IT Strategy Committee ("ITSC")

Mr. Deepak Kumar Sharma, Chairperson
Mr. Krishna Prasad Nair, Member
Mr. Arun Diaz, Member
Mr. Baskar Babu Ramachandran, Member
Mr. Alok Sethi, Member
Mr. Hemant Shah, Member

Credit Committee of Board ("CCB")

Mr. Sunil Gulati, Chairperson
Mr. Arun Diaz -Member
Mr. Krishna Prasad Nair, Member
Mr. Baskar Babu Ramachandran, Member
Mr. Deepak Kumar Sharma, Member

Customer Service Committee ("CSC")

Mr. Sunil Gulati, Chairperson
Mr. Arun Diaz, Member
Ms. Swati Datye, Member
Mr. Deepak Kumar Sharma, Member
Mr. Hemant Shah, Member
Mr. Baskar Babu Ramachandran, Member
Mr. Alok Sethi, Member

Corporate Social Responsibility & ESG Committee ("CSR & ESGC")

Ms. Swati Datye, Chairperson
Mr. Deepak Kumar Sharma, Member
Mr. Vivek Karve, Member
Mr. Hemant Shah, Member

Stakeholders' Relationship Committee ("SRC")

Mr. Alok Sethi, Chairperson
Mr. Ranjit Shah, Member
Ms. Swati Datye, Member
Mr. Krishna Prasad Nair, Member
Mr. Vivek Karve, Member
Mr. Sunil Gulati, Member
Mr. Hemant Shah, Member

Special Committee of the Board for monitoring and follow up of cases of frauds ("SCBMF")

Mr. Krishna Prasad Nair, Chairperson
Mr. Vivek Karve, Member
Mr. Hemant Shah, Member
Ms. Swati Datye, Member

Board Committee for Review of Wilful Defaulters ("RWD")

Mr. Baskar Babu Ramachandran, Chairperson
Ms. Swati Datye, Member
Mr. Arun Diaz, Member

Company Secretary And Compliance Officer

Mr. Krishna Kant Chaturvedi

Statutory Auditors

M/s. Mukund M. Chitale & Co.,
Chartered Accountants
(Firm Registration Number 106655W)
M/s. Gokhale & Sathe,
Chartered Accountants
(Firm Registration No. 103264W)

Internal Auditors & Chief Audit Officer

Mr. Gaurav Popat

Secretarial Auditors

M/s. Tushar Shridharani & Associates LLP,
Practising Company Secretaries
(LLPIN - ACL-9350 | Unique Code: L2025MH018100)

Registered Office

Unit no. 1101, Sharda Terraces,
Plot No. 65, Sector 11, CBD Belapur,
Navi Mumbai - 400 614, Maharashtra, India

Corporate Office

7th Floor, Tower No. 1, Seawoods Grand Central,
Plot No. R-1, Sector-40, Seawoods,
Navi Mumbai - 400706, Maharashtra, India

Website Of The Bank:

https://suryoday.bank.in/

Board's Report

Dear Members,

Your Board of Directors (**"Board"**) is pleased to present the Eighteenth Annual Report on the business and operations of the Bank together with the Audited Financial Statements of the Bank and Independent Auditors' Report for the Financial Year (**"FY"**) ended March 31, 2026.

A. FINANCIAL SUMMARY AND HIGHLIGHTS

The Bank's performance during the FY ended March 31, 2026, as compared to the previous FY is summarized below:

(Amount ₹ in Crores, unless stated otherwise)

Particulars	FY 2025-26	FY 2024-25
Advances (Net of provision)	12,878.8	9,974.3
Deposits and borrowings	17,116.4	13,289.9
Total Income	2,519.9	2,171.0
Operating and Interest Expenses	2,135.9	1,781.8
Operating Profit	384.0	389.2
Provisions and Contingencies (including tax)	232.1	274.2
Profit for the year	152.0	115.0
Add: Surplus brought forward from previous year	406.9	317.9
Amount available for appropriation	558.9	432.9
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	38.0	28.7
Investment Fluctuation Reserve	(1.5)	(7.0)
Capital Reserve	13.0	4.2
Surplus carried to Balance Sheet	509.4	406.9
EPS (Basic) – In ₹	14.30	10.82
EPS (Diluted) – In ₹	14.29	10.75

a) Key Performance Highlights:

- The Net Interest Income of the Bank for the year was ₹1,098.7 Crores as compared to ₹1,106.1 Crores in the previous year.
- The Bank has achieved a Profit of ₹152 Crores for the year ended March 31, 2026, as compared to Profit of ₹ 115.0 Crores in the previous year.
- The Gross Loan Portfolio witnessed a jump of 29.4% to ₹ 13,261 Crores (Including IBPC) and there was a substantial rise in deposits by 32.2% from ₹10,579.6 Crores to ₹ 13,994 Crores.
- The Balance sheet size grew to ₹ 19,884 Crores as on March 31, 2026, as compared to ₹ 15,614.4 Crores as on March 31, 2025 (YoY growth of 27.34%).
- The CASA constituted 22.6% of the overall deposits of the Bank.
- The Capital Adequacy Ratio (**"CRAR"**) was 20.45% as on March 31, 2026 (March 31, 2025: 25.8%) as compared to the statutory minimum required 15%.
- The Provision Coverage Ratio (**"PCR"**) as on March 31, 2026 was at 37.3% and including the CGFMU benefit, PCR was at 96.65%.
- Cost to Income ratio for the year ended March 31, 2026 was 73.7% as compared to 70.6% for the previous year. The Return on Assets remained unchanged at 0.9% in FY'26, consistent with 0.9% in FY'25.
- The number of banking outlets increased from 710 as on March 31, 2025 to 717 as on March 31, 2026, including, 197 Unbanked Rural Centres.

B. OVERVIEW OF BUSINESS & OPERATIONS

In a challenging global macroeconomic and geopolitical environment, marked by persistent inflationary pressures and evolving monetary policies, the global economy witnessed moderate growth during FY 2025–26. Despite these headwinds, the Indian economy continued to demonstrate resilience, supported by strong domestic demand, infrastructure-led growth, and ongoing policy reforms, thereby strengthening its position in the global economic landscape.

The banking and financial sector played a crucial role in sustaining this growth momentum, contributing to overall financial stability and economic development. The sector remained well-capitalised and resilient under the regulatory oversight of the Reserve Bank of India, although relatively tight liquidity conditions led to increased competition for deposits. The overall environment continues to present significant opportunities for Small Finance Banks to deepen financial inclusion and expand access to formal banking services.

During FY 2025–26, the Bank continued to demonstrate resilience across its core business segments while progressing on its strategic priorities. The Bank sustained growth in advances and deposits, supported by a continued focus on retail deposit mobilisation, customer engagement, and a diversified product suite.

During the year, the Bank faced continued challenges in the Micro Finance segment, in line with industry-wide stress. To address these challenges, the Bank has adopted a calibrated and disciplined approach, including strengthening underwriting standards, moderating incremental disbursements, and enhancing collection efficiencies to safeguard asset quality. Notably, disbursements in Inclusive Finance witnessed a recovery towards pre-stress levels in the fourth quarter of FY 2025–26, reflecting early signs of stabilization in the portfolio.

The Bank has been subscribing to the Credit Guarantee Fund for Micro Units ("**CGFMU**") scheme since FY 2022–23, which has continued to provide support during the period of stress. During the year, the Bank has received claims of approximately ₹ 370 Crore under CGFMU, with additional claims under process, thereby helping to mitigate the credit risk and support capital protection.

The Bank continued its strategic focus on secured assets, with sustained momentum in products such as mortgage and commercial vehicle financing. During the year, the Bank has launched new secured product lines, including Machinery Finance and Gold Loans. These initiatives have contributed to a gradual improvement in the portfolio mix, with an increasing share of non-microfinance assets. This transition remains aligned with the Bank's objective of achieving a balanced, diversified, and lower-risk growth profile.

The Bank has strengthened its liability franchise through steady growth in granular retail deposits, driven by customer-centric products and a hybrid distribution model. Digital deposits now constitute 14% of total deposits and ~40% of retail deposits within one year.

Further, the Bank also accelerated digital initiatives and partnerships, launching products such as Credit on UPI and a Secured Credit Card.

The Bank remained committed to sustainable growth, supported by a strong regulatory compliance framework, prudent risk management practices, and continued investments in digital capabilities and customer-centric offerings.

The Bank shall be focussing on the following during FY 2026–27:

a) **Microbanking:** Sustaining focus on Individual Loans with continued coverage under government-backed credit guarantee schemes, while building on the recovery momentum witnessed towards the end of FY 2025–26. Continuing to capitalize on growth opportunities in the MSME segment by leveraging deep customer relationships and distribution capabilities.

b) **Retail Assets:** Driving deeper market penetration and maintaining momentum in secured products such as Mortgage and Commercial Vehicle Finance to achieve a balanced and lower-risk growth profile. Scaling up newer product lines, including Machinery Finance and Gold Loans, while maintaining a strong focus on asset quality. Continuing to offer a comprehensive suite of deposit and lending products catering to diverse customer segments, with emphasis on innovation and long-term financial solutions.

c) **Digital Banking:** Accelerating the Bank's digital journey through strategic partnerships to offer a wider range of products and services. Launching new digital offerings and enhancing customer reach through scalable, technology-led solutions, while strengthening the digital product portfolio, including Credit on UPI and Secured Credit Cards.

C. DIVIDEND

The Bank has formulated and implemented a Dividend Distribution Policy pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the applicable provisions of the Companies Act, 2013 ("**Act**"), the circulars / guidelines / directions issued by the RBI with an objective to appropriately reward the shareholders through dividends for reposing their confidence in the Bank while retaining the capital required for supporting future business growth. The said Policy is available on the website of the Bank at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-dividend-distribution-policy-fy-26-27-1.0.pdf.

In line with the aforementioned Policy and considering the Bank's financial performance during the FY 2025-26, the Board of Directors at their meeting held on May 07, 2026, has recommended a Final Dividend of ₹ 1.50 per Equity Share of face value ₹ 10/- (Rupees Ten only) each fully paid-up (i.e., 15% of the face value) for the FY ended March 31, 2026, subject to approval by the Shareholders at the ensuing 18th Annual General Meeting ("**AGM**") of the Bank to be held on Thursday, August 06, 2026. The aforesaid dividend, if declared by the Shareholders at the 18th AGM shall be paid to the Shareholders within 30 days from the date of approval / declaration by the members of the Bank in the 18th AGM. The Record date fixed for determining the entitlement of Members to the Dividend for FY ended March 31, 2026, is Friday, July 17, 2026.

Pursuant to the provisions of the Income Tax Act, 2025, as amended by the Finance Act, 2026 and the Rules framed thereunder, the dividend income is taxable in the hands of the members, therefore, the dividend will be paid to the members by your Bank after Deduction of Tax at Source ("**TDS**") at the applicable rates or Tax treaty, at the time of making payment of the dividend.

D. TRANSFER TO RESERVES

As per the requirements of the RBI Regulations and other applicable Regulations, the Bank has transferred to/(Transfer from) the following amounts to various reserves during FY ended March 31, 2026:

Amount transferred to/(from)	₹ in Crores
Statutory Reserve	37.99
Capital Reserve	13.01
Investment Fluctuation Reserve	(1.48)

E. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In accordance with Section 124 and 125 of the Act read with the Investor Education and Protection Fund (**"IEPF"**) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), all the equity shares of the Bank in respect of which dividend amounts have not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to demat account of IEPF Authority. As, the Bank has not declared any dividend since its inception hence, there was no unclaimed/unpaid dividend or shares of the Bank liable to be transferred to IEPF during FY 2025-26.

F. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Bank during the year under review.

G. SHARE CAPITAL

a) Authorised capital:

During the year under review, there was no change in the Authorised Share Capital of the Bank and as at March 31, 2026, the Authorised Capital of the Bank stood at ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10 (Rupees Ten) each.

b) Issued, Subscribed and Paid up Capital:

During the year under review, the Bank has issued and allotted 5,000 (Five Thousand only) Equity Shares of face value of ₹ 10/-(Rupees Ten) each pursuant to the exercise of Options by the employee(s) of the Bank under Suryoday ESOP Scheme-2019 (**"ESOP Scheme, 2019"**). Consequently, there has been increase in Paid-up capital of the Bank, from ₹ 106,28,48,240/- (Rupees One Hundred Six Crores Twenty-Eight Lakh Forty-Eight Thousand Two Hundred and Forty Only) divided into 10,62,84,824 (Ten Crores Sixty-Two Lakh Eighty-Four Thousand Eight Hundred and Twenty-Four only) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 106,28,98,240/- (Rupees One Hundred Six Crores Twenty-Eight Lakh Ninety-Eight Thousand Two Hundred and Forty Only) divided into 10,62,89,824 (Ten Crores Sixty-Two Lakh Eighty-Nine Thousand Eight Hundred and Twenty Four only) Equity Shares of ₹10/- (Rupees Ten) each fully paid-up as on March 31, 2026.

c) Issue of Equity Shares with Differential Rights and / or Sweat Equity Shares

During the year under review, the Bank has neither issued any equity shares with differential rights nor any Sweat Equity shares.

d) Debt Instruments

As at March 31, 2026, the Bank had one series of Debentures issued on Private placement basis consisting of 1000 Nos. of 12.5% Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the form of Non-Convertible Debentures having face value of ₹ 10 Lakhs each, amounting to ₹ 100 Crores, which are listed on BSE.

During the FY 2025-26, the Bank has not issued any debentures, bonds or any non-convertible securities or warrants.

H. CREDIT RATINGS OF VARIOUS INSTRUMENTS

The details of ratings assigned by ICRA/ and CRISIL for various instruments of the Bank are as under:

Particulars	Rating	Rating agency
Long term issuances/Long Term issuances (NCD/ Sub-Debt)	A (Stable)	ICRA
Certificate of Deposits	A 1 + (A One Plus)	ICRA
Certificate of Deposits	A 1 + (A One Plus)	CRISIL

I. CAPITAL ADEQUACY RATIO

a) As per operating guidelines for Small Finance banks, the Bank is required to maintain a minimum Capital Adequacy Ratio (**"CRAR"**) of 15% with minimum Common Equity Tier I (CET I) of 6%.

b) As at March 31, 2026, the CRAR of the Bank stood at 20.45% well above the regulatory minimum requirement of 15%. Tier I ratio of the Bank stood at 19.59% well above the regulatory requirement of 6% and Tier II capital was at 0.86%.

J. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Bank did not have any Subsidiary, Associate or Joint Venture Company during FY 2025-26. Accordingly, no statement is required to be reported in **Form AOC-1**.

K. ANNUAL RETURN

The Annual Return as mandated under the provisions of Section 92(3) read with Section 134(3)(a) of the Act in prescribed Form MGT-7 is available on the website of the Bank and the same can be accessed at https://suryoday.bank.in/assets/pdf/form-mgt-7-annual-return-financial-year-2025-26.pdf

L. BOARD OF DIRECTORS

The composition of the Board is governed by the relevant provisions of the Act, and the rules made thereunder, the SEBI Listing Regulations, the Banking Regulation Act, 1949 (the **"BR Act"**), the Guidelines/ Regulations/Circulars issued by the RBI, as amended, from time-to-time and all other applicable laws and the Articles of Association of the Bank.

As of March 31, 2026, and also as on the date of this Report, the Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. As on March 31, 2026, the Board comprised of Ten (10) Directors, consisting of Seven (7) Independent Directors, including One (1) Woman Independent Director, One (1) Managing Director & Chief Executive Officer (**"Managing Director & CEO"**), One (1) Whole-time Director (**"Executive Director"**) and One (1) Non-Executive Non-Independent (Investor) Director (**"Investor Director"**), overall representing to 70% Independent Directors and 30% Non-Independent Directors.

None of the Directors of the Bank is disqualified as per provisions of Section 164(2) of the Companies Act, 2013. The Directors have provided necessary disclosures, as required under various provisions of the Companies Act, 2013, SEBI Listing Regulations and RBI guidelines.

Further, the certificate pursuant to Regulation 34(3) and sub-clause (i) of Clause 10 of Para C of Schedule V of the SEBI Listing Regulations for the FY ended on March 31, 2026, issued by Tushar Shridharani & Associates LLP, Practicing Company Secretaries (LLPIN - ACL-9350| Unique Code: L2025MH018100) confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Bank by the Securities Exchange Board of India (**"SEBI"**)/ the Ministry of Corporate Affairs (**"MCA"**) or any such statutory authority, is attached as **Annexure-1** to this Report.

During the FY 2025-26 and after the end of financial year up to the date of this report, following changes took place in the Board of Directors of the Bank:

a) Appointments:

i. The Shareholders of the Bank vide Special Resolution passed through Postal Ballot on April 15, 2025, accorded their approval for the appointment of Mr. Vivek Anant Karve (DIN: 06840707) as a Non-Executive Independent Director of the Bank to hold office for a period of Five (5) consecutive years effective from January 21, 2025 upto January 20, 2030 (*both days inclusive*), not liable to retire by rotation.

ii. Basis the recommendations made by the Nomination and Remuneration Committee (**"NRC"),** the Board of Directors of the Bank at their meeting held on March 12, 2026, had appointed Mr. Sunil Satyapal Gulati (DIN:00016990) and Mr. Alok Sethi (DIN:00277481) as Additional Directors (under *Non-Executive Independent category*) on the Board of the Bank with effect from March 12, 2026. The Board, also subject to the approval of the Shareholders of the Bank, had appointed Mr. Sunil Satyapal Gulati (DIN:00016990) and Mr. Alok Sethi (DIN:00277481) as a Non-Executive Independent Directors on the Board of the Bank for a period of Five (5) consecutive years effective from March 12, 2026 to March 11, 2031 (*both days inclusive*), not liable to retire by rotation. As permissible under the applicable provisions of the Act and the Rules made thereunder, the SEBI Listing Regulations and pursuant to the Circulars issued in this regard by the MCA and SEBI, the Board at its meeting held on May 07, 2026 had accorded its approval for seeking approval of the Shareholders of the Bank through Postal Ballot Process for the appointment of Mr. Sunil Satyapal Gulati (DIN:00016990) and Mr. Alok Sethi (DIN:00277481) as an Independent Directors of the Bank for a period of Five (5) consecutive years effective from March 12, 2026 to March 11, 2031 through Special Resolution. Subsequently, the Shareholders of the Bank vide Special Resolution passed through Postal Ballot on June 08, 2026 (*being last date of e-voting*), accorded their approval for appointment of Mr. Sunil Satyapal Gulati (DIN:00016990) and Mr. Alok Sethi (DIN:00277481) as Non-Executive Independent Directors of the Bank to hold office for a period of Five (5) consecutive years effective from March 12, 2026 upto March 11, 2031 (*both days inclusive*), not liable to retire by rotation.

b) Re-appointments:

i. Mr. Ranjit Jayant Shah (DIN:00088405), Non-Executive Non-Independent (Investor Director), was re-appointed at the Seventeenth (17th) AGM of the Bank held on September 11, 2025, and is liable to retire by rotation at ensuing AGM.

ii. Based on the approval of the Shareholders at the 17th AGM of the Bank, held on September 11, 2025, and approval granted by the Reserve Bank of India vide its Letter No. DoR.GOV. No.S5685/29.44.006/2025-26 dated October 16, 2025, Mr. Baskar Babu Ramachandran (DIN:02303132), has been re-appointed as Managing Director & CEO of the Bank for a further period of Three (3) years, effective from January 23, 2026 to January 22, 2029, in terms of the provisions of Section 35B of the BR Act.

iii. Mr. Krishna Prasad Nair (DIN:02611496) who was appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years with effect from July 22, 2021 has been re-appointed as Non-Executive Independent Director of the Bank for the second term of Three (3) consecutive years, effective from July 22, 2026 to July 21, 2029 (*both days inclusive*), vide Special Resolution passed through Postal Ballot on February 28, 2026. Further, based on the application submitted by the Bank, the RBI vide its Letter No. DoR. GOV.No.S1240/29.44.006/2025-26 dated May 12, 2026, has accorded its approval for the re-appointment of Mr. Nair as a Non- Executive Part-time Chairman of the Bank, for the same period i.e. for a period of Three (3) years with effect from July 22, 2026, in accordance with the provisions of the BR Act and the rules, guidelines and circulars issued by the RBI, from time to time in this regard, which has been duly taken on record by the Board of Directors of the Bank on May 12, 2026.

c) Directors Retiring by Rotation:

i. Mr. Ranjit Jayant Shah (DIN:00088405), Non-Executive Non-Independent (Investor) Director, is liable to retire by rotation at the ensuing AGM and, being eligible, has offered himself for re-appointment, to hold office upto November 01, 2026 (i.e. upto completion of his total term of 8 years as permissible under the provisions of the BR Act). Accordingly, the proposal for his re-appointment as a Director, to hold office up to November 01, 2026, in accordance with the BR Act and the applicable circulars and regulations issued by the RBI from time to time, will be placed before the Shareholders for approval at the ensuing AGM.

d) Directors and Officers Liability Insurance Policy:

The Bank has a Directors and Officers Liability Insurance Policy, which protects Directors and Officers of the Bank for any breach of fiduciary duty. Further, the Board is apprised about the insurance coverage under the said Policy annually.

e) Director e-KYC (DIR-3 KYC):

All the Directors of the Bank have complied with timely submission of Form DIR-3 KYC during the FY 2025-26.

M. KEY MANAGERIAL PERSONNEL

As of March 31, 2026, Mr. Baskar Babu Ramachandran (DIN:02303132), Managing Director & CEO, Mr. Hemant Premchand Shah (DIN:10548728), Whole-time Director (Executive Director), Mr. Kanishka Chaudhary, Chief Financial Officer and Mr. Krishna Kant Chaturvedi, Company Secretary & Compliance Officer, were the Key Managerial Personnel of the Bank in terms of Section 203(1) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. No changes in the Key Managerial Personnel during the FY 2025-26.

N. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Regulation 17(5) of SEBI Listing Regulations, the Bank has implemented a Code of Conduct for Directors and Senior Management Personnel ("**SMPs**"). This code attempts to set forth the guiding principles on which the Directors and SMPs of the Bank shall operate and conduct the Bank's business with its various stakeholders. All the Directors and SMPs have affirmed their adherence to the Code for FY 2025-26 and a declaration by the Managing Director & CEO to this effect forms part of Report on Corporate Governance. The Bank's Code of Conduct for Directors and SMPs can be accessed on the website of the Bank at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-code-of-conduct-applicable-to-directors-&-sr-mgmt-of-the-bank-fy-26-27-1.0.pdf.

O. MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, Ten (10) Meetings of the Board of Directors were held and the gap between any two meetings were well within the statutorily permissible limits as per the provision of the Act read with Rules made thereunder and Secretarial Standard 1 issued by the Institute of Company Secretaries of India, and SEBI Listing Regulations. The details of meetings of the Board and Board Committees together with the attendance for each Director, have been comprehensively disclosed in the Corporate Governance Report.

P. MEETING OF COMMITTEES OF THE BOARD

The Board has constituted several Board Level Committees to deal with specific matters and the terms of reference of each Committee is defined. These Committees have been formed in compliance with the applicable provisions of the Act and relevant rules made thereunder, SEBI Listing Regulations, BR Act, RBI Circulars & Guidelines, Articles of Association of the Bank and other pertinent guidelines issued from time to time.

As at March 31, 2026, there were Ten (10) Committees of the Board as given below:

Sr. No	Name of the Committee
(i)	Audit Committee of the Board
(ii)	Risk Management Committee of the Board
(iii)	Nomination and Remuneration Committee
(iv)	Stakeholders' Relationship Committee
(v)	Corporate Social Responsibility & ESG Committee *(formerly known as Corporate Social Responsibility Committee)*
(vi)	IT Strategy Committee
(vii)	Customer Service Committee
(viii)	Credit Committee of the Board
(ix)	Special Committee of the Board for monitoring and follow up of cases of frauds
(x)	Board Committee for Review of Wilful Defaulters

The details of composition, number of meetings held and date thereof and Terms of Reference/Charter of the above Committees are available in the Corporate Governance Report forming part of the Annual Report of the Bank for FY 2025-26.

Further, in order to facilitate the Board effectiveness, efficiency and faster decision making, the Bank has also constituted a few Management Level Committees for better governance and supervision. The Bank has constituted various Management Level Committees viz. Investment Committee (IC), Risk Management Committee of the Executives (RMCE), Vendor Management Committee (VMC), Asset Liability Management Committee (ALCO), Branch Level Customer Service Committees, Standing Committee on Customer Service, New Product Approval Committee, Executive Credit Committee, Management Committee for Staff Accountability, Information Security Steering Committee (ISSC), IT Steering Committee, Executive Committee (EXECOM), Internal Complaints Committee etc.

Q. MEETING OF INDEPENDENT DIRECTORS

As per the requirement of Section 149(8) read with Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, a meeting of the Independent Directors of the Bank is required to be held at least once a year in absence of non-independent directors and members of the management.

During the year under review, Two (2) meetings of Independent Directors of the Bank were held on May 06, 2025, and November 05, 2025, and various matters were discussed & reviewed at the meeting inter-alia covering the following:

- The quality, quantity, and timeliness of flow of information between the management of the Bank and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties;
- Review of Performance of Non-Independent Directors, the Board of Directors as a whole, Chairperson of the Bank;
- Whether adequate time is spent by the Board/ Committees on discussions on important issues.
- Review of the existing corporate governance practices.
- Review of the Report on directives and suggestions from the previous meeting of Independent Directors.

R. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted the required declarations that they meet the criteria of Independence as laid down under Section 149(6) and 149(7), Schedule IV of the Act and Regulation 16(1)(b) and Regulation 25(8) of the SEBI Listing Regulations. The Board had assessed the veracity of the confirmations submitted by the Independent Directors, as required under Regulation 25(9) of the SEBI Listing Regulations.

Pursuant to the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of the Bank have successfully registered their names in the online databank of Independent Directors maintained & administered by the Indian Institute of Corporate Affairs. The Independent Directors have also confirmed that they were not aware of any circumstance or situation which existed or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, all the Independent Directors are independent of the Management.

During the year, there has been no change in the circumstances affecting their status as Independent Directors of the Bank and they are not debarred from holding the office of Director under any SEBI Order or any other statutory authority.

The Bank has also received from its Directors, a statement that they have complied with the Code of Conduct for Directors and Senior Management of the Bank.

S. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of the Board, the Independent Directors are persons of integrity and possess the requisite experience, expertise and proficiency required under all applicable laws and the policies of the Bank.

T. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

As per the provisions of sub-section (3) of Section 178 of the Act, the Bank has a Policy on appointment of Directors and Senior Management employees which includes formulating criteria for determining qualifications, attributes and independence of a Director.

This Policy has been disclosed on the Bank's website at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-compensation-policy-fy25-26-1.0.pdf and https://suryoday.bank.in/assets/pdf/policies/policy-on-appointment-of-directors-and-senior-managerial-personnel-fy-26-27-1.0.pdf

The Board has, in accordance with the RBI guidelines on compensation, formulated the Compensation Policy which became effective in FY 2020-21, as amended from time to time. The Compensation Policy institutes a mechanism for alignment of compensation of Whole-time Directors, Chief Executive Officer, Material Risk Takers, Control Function Staff and other Senior Managerial Personnel with the extent of risks taken. The Policy also establishes standards of compensation including fixed and variable, which are in alignment with the applicable rules and regulations including the RBI guidelines in this regard and which is based on the trends and practices of remuneration prevailing in the banking industry. The remuneration of Whole-time Directors, Material Risk Takers, Key Managerial Personnel and Senior Management is governed by the Compensation Policy of the Bank. This Policy has been disclosed on the Bank's website at: https://suryoday.bank.in/assets/pdf/policies/suryoday-compensation-policy-fy25-26-1.0.pdf

The Non-Executive Directors including Independent Directors are paid remuneration by way of sitting fees for attending the meetings of the Board and its Committees, which is determined by the Board based on applicable regulatory provisions. Further, expenses incurred by them for attending meetings of the Board and Committees, if any, are reimbursed at actuals.

Pursuant to Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, as amended, the NRC and the Board of Directors of the Bank is required to devise a policy on diversity of Board of Directors. The Bank has formulated this Policy in compliance with the SEBI Listing Regulations and the same is available on the website of the Bank at https://suryoday.bank.in/assets/pdf/policies/suryoday-policy-to-promote-diversity-of-board-of-directors-fy-26-27-1.0.pdf.

The Bank has an effective mechanism for succession planning, which focuses on orderly succession of the Chairperson, Directors, Key Management Personnel and Senior Management. The NRC implements this mechanism in concurrence with the Board of Directors.

U. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of Section 178(2) read with Schedule IV of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, for the FY 2025-26, the Board of Directors of the Bank had engaged Excellence Enablers Private Limited (**"Excellence Enablers"**), an external agency for carrying out the Annual Evaluation of Board, Statutory Committees of the Board and Individual Directors in order to ensure objectivity, transparency and benchmarking with leading governance practices. The external agency administered the evaluation process based on structured questionnaires and evaluation criteria aligned with applicable regulatory requirements and industry's best practices. Further, the performance evaluation of the Committees of the Board was carried out in accordance with the criteria for evaluation as set out in the Policy for Performance Evaluation of the Bank read with the Terms of Reference/Charter of the respective Board Committees.

Mr. M Damodaran, the founder of Excellence Enablers had one-on-one interactions with the Members and the Chairpersons of the Board Committees and took their views and inputs on the performance of the Board Committees.

All the Directors provided their responses to the questionnaires based on the said criteria. Each of the Committees evaluated its own performance. The Independent Directors, reviewed the performance of non-independent Directors and the performance of the Board as a whole.

The feedback and outcome of the Board's Performance Evaluation was submitted to the NRC and the Board. Further, the Report on the Performance Evaluation of the Committees was submitted to the respective Board Committees and the feedback on Individual Directors was shared separately to the all Board members.

The Board has taken on record the Performance Evaluation Report for FY 2025-26 and advised the Management for taking necessary actions towards enhancing the processes / reporting mechanism, wherever required/applicable, as suggested in the Performance Evaluation Report, including focused approach towards Board's exposure to senior management team, risk governance, Cyber and AI-related risks, and greater focus on Strategy/Financial matters, which was agreed by the Management for necessary action in a time-bound manner.

V. State of the Bank's Affairs in terms of Section 134(3)(i) of the Act

The state of affairs of the Bank in detail is provided separately under different sections of the Board's Report and also under Management Discussion and Analysis.

W. FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

In accordance with the Regulation 25(7) of the SEBI Listing Regulations and RBI guidelines, the Bank has conducted various familiarisation programmes during FY 2025-26 for the Independent Directors to enable them to familiarise with the Bank, its Management, Bank's Business, and its operations for better understanding of their roles & responsibilities and rights for effective contribution in sustainable growth of the Bank.

The Bank has also facilitated various Training programs from the eminent institutions for the Independent Directors of the Bank.

The details of the familiarisation programme(s) for the Independent Directors of the Bank have been provided separately in the Report on Corporate Governance forms part of the Annual Report and can be accessible on website of the Bank at:- https://suryoday.bank.in/assets/pdf/policies/ssfb-familiarization-programmes-independent-directors.pdf

X. EMPLOYEES STOCK OPTION SCHEME AND OPTIONS GRANTED DURING FY 2025-26

The Bank has, from time to time, granted Stock Options to its key employees to attract, hire and retain talented and experienced personnel from the industry. ESOP has served as a tool to reward and motivate employees for long association and in recognition of dedicated service to the Bank, pursuant to the approval of its Members. Rewarding employees with stock options aligns with the long-term growth of the Bank and ensures active participation by a team of motivated employees in ensuring the desired growth of the organisation.

In this regard, the Stock Option Scheme titled 'ESOP Scheme 2016' was initially approved by the Members of the Bank at their Extra Ordinary General meeting (**"EGM"**) held on December 22, 2016 and thereafter, the amended Scheme was approved by the members of the Bank at their AGM held on August 30, 2018. Thereafter, in order to modify and align the terms with the amended Regulations, the Bank had launched new Scheme Suryoday ESOP Scheme 2019 (**"ESOP Scheme 2019"**), which was initially approved by the Members at the AGM held on September 26, 2019 and thereafter amendments to the Scheme were approved by the Members at their EGM held on July 27, 2020. Further, in terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the **"SEBI SBEB Regulations"**), as amended, the ratification to the ESOP Scheme 2019 was also approved by the Members of the Bank at their AGM held on September 20, 2021.

It may kindly be noted that after coming into effect of the ESOP Scheme 2019, the earlier Scheme i.e. ESOP Scheme 2016 was closed for the purpose of granting new Options, however, Options in 2 categories viz. those which were granted under ESOP Scheme 2016, Options granted and vested under ESOP Scheme 2016 and vested but not exercised, were treated as valid till their eligible exercise period under the scheme.

The grant of Options to employees under Suryoday ESOP Scheme 2019 is approved by the NRC. In alignment with the Bank's Compensation Policy, ESOP when determining the number of options to be granted are offered at the time of hiring as well as part of the Annual Performance Review. The number of options to be granted are determined basis factors such as scale, designation, performance, grades, period of service, role significance, and contribution to the Bank's overall performance.

Further, pursuant to RBI Circular No. RBI/2019-20/89 DOR. Appt.BC.No.23/29.67.001/ 2019-20 dated November 4, 2019 read with RBI/2021-22/95 DOR. GOV. REC. 44/ 29.67.001/2021-22 dated August 30, 2021, the Bank is under obligation to pay part of the overall compensation to certain categories of senior Management employees of the Bank in the form of share linked instruments as variable pay with a linkage to the overall performance of the Bank, performance of the concerned Business Unit and the Individual's Performance along with appropriate malus and claw-back arrangements. The same is in accordance with the Compensation Policy of the Bank.

Taking into consideration the requirements of the abovementioned RBI Circulars and the growth plans of the Bank for coming years and in order to attract, hire and retain talented and experienced personnel from the industry, as well as to reward and motivate existing employees for their long association and in recognition of their dedicated service to the Bank, the NRC and the Board of Directors had recommended to increase the pool of Option by adding 40,00,000 (Forty Lakhs only) Options in the ESOP Scheme 2019 to be utilised for granting Options to the Employees for coming years, which was subsequently approved by the Members at their 16th AGM of the Bank held on September 12, 2024. With this, the total pool size of Options in Suryoday ESOP Scheme 2019 shall be 80,00,000 (Eighty Lakhs only) Options.

The Board of Directors at their meeting held on June 25, 2026, based on the recommendation of the NRC has recommended modifications in the Clause of the ESOP Scheme, 2019 pertaining to Exercise Period which are detailed in the Notice of the ensuing 18th AGM of the Bank for approval of the Shareholders.

The Bank is currently granting Options from ESOP Scheme 2019.

The applicable disclosure with regard to Employee Stock Option granted during FY 2025-26 is provided in **Annexure-2** to this report.

Y. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Act, loans made, guarantees given, securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from the disclosure requirement under Section 134(3) (g) of the said Act. Details of Investments are given in Schedule 8 to the Financial Statements forms part of the Annual Report.

Z. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

During FY 2025-26, the Bank did not engage in any material significant transactions with related parties that could potentially create conflicts of interest between the Bank and these parties. The related party transactions, if any, during the year were carried out at arm's length basis and in the ordinary course of business operations. Any transactions entered with the related parties are monitored and reviewed by the ACB and Board every quarter.

During the year under review, there were no contracts or arrangements with related parties as referred to under Section 188(1) of the Act.

As per Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported in form AOC-2. The requisite disclosure has been made under Schedule 18 of the notes forming part of Audited Financial Statements for FY ended March 31, 2026.

The Related Party Transaction Policy as approved by the Board can be accessed on the website of the Bank at: https://suryoday.bank.in/assets/pdf/policies/suryoday-related-party-transaction-policy-fy-26-27-1.0.pdf. The Related Party Transaction policy is reviewed by the ACB on an annual basis. The Bank does not have a subsidiary company as on date; hence the Bank is not required to formulate a specific policy on dealing with material subsidiaries.

AA. RISK MANAGEMENT FRAMEWORK

The Bank is exposed to various risks which broadly fall under one or more of the categories of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Information and Cyber Security Risk etc. The Chief Risk Officer of the Bank is in-charge of the Risk Management functions under the oversight of the Risk Management Committee of the Board (**"RMCB"**).

The Bank has a robust framework for risk management in the form of regular review of products and processes by the Compliance Department, periodic internal audit of processes and operations, regular review of risk policies and periodic reporting to the RMCB and the Board. The RMCB overviews the nature of the relevant risks, impact thereof on the business of the Bank, implementation of the risk management policies and processes and reviewing of these Policies to address the risks. Further details on the Risk Management are covered in the Management Discussion & Analysis, forming part of the Annual Report.

BB. INTERNAL FINANCIAL CONTROLS (IFC) WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Board has reviewed the adequacy and effectiveness of the Bank's internal financial controls with reference to its financial statements. Internal controls are in place and were operating effectively for the period. There were no material or serious observations with respect to the inefficiency or inadequacy of such controls.

AB. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE BANK

No material changes and commitments have occurred after the closure of FY 2025-26 till the date of this report, affecting the financial position of the Bank.

AC. MANAGEMENT DISCUSSION & ANALYSIS

The Report on Management Discussion & Analysis for FY 2025-26, as stipulated in SEBI Listing Regulations forms part of the Annual Report.

AD. CORPORATE GOVERNANCE

The Bank is committed to establishing and adhering to the best Corporate Governance practices through transparency in disclosures, accountability, integrity, true & fairness, putting in place robust systems & processes and adhering to the compliance & governance policies framed in accordance with the rules and regulations applicable to the Bank. The Bank continuously endeavours enhancing the governance and assurance functions.

The Report on Corporate Governance along with the Certificate issued by Tushar Shridharani & Associates LLP, Practicing Company Secretaries of the Bank confirming the compliance with the conditions stipulated in the SEBI Listing Regulations forms part of the Annual Report.

AE. CORPORATE SOCIAL RESPONSIBILITY (CSR) & ESG INITIATIVES

As part of its commitment to social responsibility, the Bank strives to enhance the economic, environmental, and social well-being of unserved and underserved communities. Our mission is to foster inclusive growth and improve the quality of life for those at the margins of society.

The Bank operates a robust three-tier governance structure to oversee its CSR vision, comprising the Board of Directors, the CSR & ESG Committee, and the Head of CSR & ESG. This structure ensures that all activities and funds are closely monitored for maximum impact and transparency.

Bank's projects are designed to create sustainable change through:

- **Financial & Digital Literacy:** Empowering women, adolescents, and parents with essential banking and digital skills.
- **Health & Wellness:** Improving preventive and reproductive health outcomes.
- **Livelihood & Skill Development:** Enhancing employability and livelihood for marginalized groups.
- **Community Development:** Driving grassroots initiatives to uplift targeted communities.

During the year under review, the Bank has scaled its reach primarily through two key implementing partners:

- **Suryoday Foundation:** Impacted over 80,000 beneficiaries across six projects in Maharashtra, Tamil Nadu, and Odisha, focusing on financial literacy, women's empowerment, and community engagement.
- **Rotary Club of Madras:** Provided critical dental care to over 10,000 children via mobile dental camps covering 15 zones of the Chennai Corporation, as well as Urban Primary and Community Health Centres.

The Bank's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The Annual Report on CSR activities in FY 2025-26 including those of ongoing projects are mentioned in the prescribed format in accordance with the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and attached as **Annexure-3** to this Report. The CSR Policy is also available on the Bank's website at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-csr-policy-fy26-27-1.0.pdf .

The Bank understands the importance of integrating on the three pillars of ESG i.e., Environmental, Social, and Governance into its operations and decision-making processes. The Bank aims to balance its financial performance in alignment with the above mentioned three pillars of ESG. The Bank is in the process of evaluating to make contributions to the projects working in the areas of protection of Environment, like check dams, tree plantations etc. This would also be in line with our ESG goals of the Bank.

AF. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, the top 1000 listed companies based on their market capitalisation as on March 31, every fiscal year, are mandatorily required to submit a Business Responsibility and Sustainability Report (**"BRSR"**) on the environmental, social and governance disclosures as part of their Annual Report. The said Report describing the initiatives undertaken by the Bank from environmental, social and governance perspective has been uploaded on the website of the Bank and the same can be accessed at https://suryoday.bank.in/assets/pdf/business-responsibility-and-sustainability-reporting-2025-26.pdf

As stipulated in SEBI Listing Regulations, the BRSR describing the initiatives undertaken by the Bank from environmental, social and governance perspective forms part of the Annual Report.

AG. STATUTORY AUDITORS AND THEIR REPORT

M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration Number 106655W), the Statutory Auditors, were appointed by the Shareholders of the Bank at their 16th AGM held on September 12, 2024 to hold office for a period of Three (3) years from the conclusion of the Sixteenth (16th) AGM until the conclusion of the Nineteenth (19th) AGM of the Bank to be held in the year 2027 for the purpose of the Audit of the Bank's Financial Statements for the Financial Years 2024-25 upto 2026-27.

Given that the Bank's Balance Sheet size as on March 31, 2025, stood at ₹ 15,614 Crores and hence, in accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India (**"RBI"**) vide Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 read with Bank's Policy on Appointment of Statutory Auditors, the Bank was required to appoint one additional Audit firm as its Joint Statutory Auditor. Accordingly, pursuant to the RBI approval, the Audit Committee of the Board (**"ACB"**) on August 13, 2025 and thereafter, the Board of Directors on August 14, 2025, have recommended the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W) as one of the Joint Statutory Auditors of the Bank, to hold office for a period of Three (3) years from the conclusion of Seventeenth (17th) AGM until the conclusion of the Twentieth (20th) AGM of the Bank to be held in year 2028, for the purpose of the audit of the Banks' Financial Statements for the Financial Years 2025-26 upto 2027-28, subject to the approval of the RBI every year for the remaining Two (2) years i.e. FY 2026-27 and FY 2027-28. The Shareholders of the Bank at their 17th AGM held on September 11, 2025 have accorded their approval for the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W), as one of the Joint Statutory Auditors of the Bank [*along with existing Statutory Auditors, M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration No. 106655W)*], both the Auditors to be termed as 'Joint Statutory Auditors'.

Pursuant to para 6.1 of the RBI Circular No. RBI/2021-22/25 Ref. No. DoS. CO. ARG/ SEC.01/08.91.001/2021-22 dt. April 27, 2021, the ACB need to monitor and assess the independence of the Auditors and conflict of interest position in terms of relevant regulatory provisions, standards, and best practices. Accordingly, the ACB and the Board of Directors at their respective meetings held on May 07, 2026, have reviewed the performance of M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration Number 106655W) and M/s. Gokhale & Sathe (Firm Registration Number 103264W), Joint Statutory Auditors of the Bank, in terms of RBI Circular No. RBI/2021-22/25 Ref. No. DoS. CO. ARG/ SEC.01/08.91.001/2021-22 dt. April 27, 2021, and found the same to be satisfactory and that they were acting independently without conflict of interest with the management.

In accordance with para 3.1 of the RBI Circular No. RBI/2021-22/25 Ref. No. DoS. CO. ARG / SEC.01/08.91.001/2021-22, dated April 27, 2021, the Bank is required to take prior approval of the RBI for their continuation on an annual basis. Accordingly, the Board of Directors of the Bank, based on the recommendation made by the ACB at their meeting held on May 07, 2026, had recommended the re-appointment/continuation of M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration No. 106655W) and M/s. Gokhale & Sathe, Chartered Accountants, (Firm Registration No. 103264W), as the Joint Statutory Auditors of the Bank for the FY 2026-27, for their third and second year respectively, for approval of the RBI.

Thereafter, based on the application submitted by the Bank, the RBI vide letter No. Ref.CO. DOS. RPD. No. S1724/08.62.005/2026-27 dated June 05, 2026 (*received by the Bank on June 05, 2026*), has accorded its approval for the re-appointment/continuation of M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration No. 106655W) and M/s. Gokhale & Sathe, Chartered Accountants, (Firm Registration No. 103264W), as the Joint Statutory Auditors of the Bank for the FY 2026-27, for their third and second year respectively.

The Report, provided by the Joint Statutory Auditors, M/s. Mukund M Chitale & Co., Chartered Accountants (Firm Registration No. 106655W) and M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) on the financial statements of the Bank for FY ended March 31, 2026, forms part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no offence of fraud was reported by the Joint Statutory Auditors of the Bank under Section 143(12) of the Act.

AH. SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the ACB and the Board of Directors of the Bank at their respective meetings held on May 08, 2025, had recommended the appointment of M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries, (LLPIN - ACL-9350 | Unique Code: L2025MH018100), being a peer reviewed firm of Company Secretaries in Practice as Secretarial Auditors of the Bank for period of Five (5) consecutive years commencing from FY 2025-26 till FY 2029-30, and to provide such other services as permissible under applicable laws on such terms and conditions including remuneration that may be fixed plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the ACB and/ the Board of Directors of the Bank, which was subsequently approved by the Members of the Bank at their 17th AGM held on September 11, 2025. M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries, Secretarial Auditor conducted Secretarial Audit of the Bank for FY 2025-26 and issued Secretarial Audit Report. The Secretarial Audit Report for FY 2025-26 i.e., Form No. MR-3 is annexed to this Report as **Annexure-4**. The report is self-explanatory and does not contain any qualification, reservation or adverse remark.

The Secretarial Auditor has confirmed that they have subjected themselves to Peer Review process by the Institute of Company Secretaries of India (**"ICSI"**) and hold valid certificate issued by the Peer Review Board of ICSI.

Further, the Bank had reviewed the performance evaluation of Secretarial Auditors basis the various parameters including following and found their performance satisfactory:

1) Quality of Services
2) Scope and Nature of Assignment
3) Expertise and Experience
4) Timeliness and Responsiveness
5) Attention to detail

The Shareholders at their 17th AGM held on September 11, 2025, while approving the appointment of Secretarial Auditors, had approved ₹ 2,25,000 (Rupees Two Lakhs and Twenty-five Thousand Only) plus applicable taxes and other out-of-pocket expenses on actuals, in connection with the Secretarial Audit for the Financial Year ending March 31, 2026, excluding the Fees payable for any certifications and other professional services, as permissible under the Act, SEBI Listing Regulations and other applicable SEBI Regulations. The ACB and Board have reviewed the performance of Secretarial Auditors for FY 2025-26 and found the same to be satisfactory and that they were acting independently without conflict of interest with the management. The fees for Secretarial Audit for the FY 2026-27 shall remain unchanged.

AI. ADHERENCE TO SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

During the year under review, the Bank has complied with the Secretarial Standards on meetings of the Board and its Committees (SS-1) and General Meetings (SS-2) issued by the ICSI, and as amended from time-to-time.

AJ. STATUS OF IMPLEMENTATION OF IFRS CONVERGED INDIAN ACCOUNTING STANDARDS (IND AS)

The banks have been advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the RBI in this regard. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under Section 133 of the Act and generally accepted accounting principles in India (**"Indian GAAP"**). In January 2016, the Ministry of Corporate Affairs (**"MCA"**) issued the roadmap for implementation of new Ind AS, which were based on convergence with the International Financial Reporting Standards (**"IFRS"**), for scheduled commercial banks, insurance companies and non-banking financial companies (**"NBFCs"**). In March 2019, RBI deferred the implementation of Ind AS for banks till further notifications as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard.

AK. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Bank follows a zero-tolerance approach towards sexual harassment and remains firmly committed to ensuring the safety, dignity and well-being of all employees. It strives to foster a safe, inclusive and respectful workplace across all its operations. The Bank believes in the right of all its employees to work with dignity, in a safe and secure environment and towards this objective, is committed to creating and maintaining a safe and secure work environment, free from sexual harassment whereby its employees are expected to treat their co-workers with respect, dignity and in a professional manner. The Bank strongly disapproves of offensive or inappropriate sexual behaviour at workplace and expects all employees to avoid any action or conduct which could be viewed as sexual harassment.

The Bank has adopted a Policy for Prevention of Sexual Harassment (**"POSH Policy"**) at the workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder, which is available on website of the Bank at https://suryoday.bank.in/assets/pdf/policies/suryoday-policy-on-prevention-of-sexual-harassment-fy-25-26-1.0.pdf

The Bank is providing necessary awareness to the employees of the Bank about the POSH Policy by circulation of the awareness emails, displaying the posters / pamphlets at a conspicuous place at the branches and other offices of the Bank. The Bank is also conducting a programme 'Female Connect' to create awareness amongst female employees of the Bank about the POSH Policy and their rights thereunder.

The Bank is providing necessary awareness to the employees of the Bank about the POSH Policy by circulation of the awareness emails, displaying the posters / pamphlets at a conspicuous place at the branches and other offices of the Bank. The Bank is also conducting a programme 'Female Connect' to create awareness amongst female employees of the Bank about the POSH Policy and their rights thereunder.

Details of complaints received and resolved by the ICC during FY 2025-26 are as follows:

Number of complaints pending at the beginning of the year:	0
Number of complaints received during the year:	0
Number of complaints disposed of during the year:	0
Number of complaints pending at the end of the of the year:	0

During the year, there were no appeals filed under the said Policy.

Further, the Annual Report under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013, of the ICC, for the Calendar year ended December 31, 2025 had been filed with the District Collector, Thane.

AL. COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

The Bank is compliant with the applicable provisions of the Maternity Benefit Act, 1961 and has policies, systems and processes in place to ensure ongoing compliance.

AM. DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAs

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2026, in terms of the requirements prescribed in RBI circular.

AN. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Bank has in place a Whistle Blower Policy which has been formulated as part of corporate governance norms and transparency where employees, customers and other stakeholders of the Bank including Non-Governmental Organizations (**"NGOs"**) are encouraged to voice genuine concerns of grievances about unprofessional conduct without the fear of reprisal to the person raising the concern.

The Policy provides a framework to promote responsible and secure whistle blowing with respect to any breach or violation of the Bank's Code of Conduct on any matter.

Please refer:- https://suryoday.bank.in/assets/pdf/policies/suryoday-whistle-blower-policy-fy26-27-1.0.pdf for text of the Policy. The functioning of the Whistle Blower mechanism is subject to review by the ACB.

During the year under review, no complaints were received under this Policy.

AO. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- **CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

  The Bank has been actively pursuing various initiatives aimed at achieving its goal of reducing power consumption. The Bank closely monitors the usage of desktops, laptops and other electronic devices, ensuring that those are switched off when not in use. The use of LED lighting continues as part of Bank's ongoing efforts to improve energy efficiency. Through installation of energy efficient appliances like Sensor-based lighting for close monitoring of the usage and imparting consistent awareness on mindful consumption among employees and staff members.

There was foreign exchange outgo of ₹ 0.18 Crores for the FY'26. Further, there were no earnings in foreign exchange.

- **TECHNOLOGY ABSORPTION**

  The Bank remains committed to technology-driven business initiatives to simplify and enhance the banking experience for customers. Throughout FY'26, several efforts were made to further bolster the Bank's technological capabilities through continuous innovation and adoption. The Bank has automated various processes to improve turnaround time and reduce manual dependencies. Regulatory-focused processes were automated to ensure timely, consistent execution and adherence to guidelines.

  These achievements underscore the Bank's strategic focus on digital transformation through intelligent automation, delivering business value year over year.

AP. DEPOSITS

Being a banking company, the disclosures relating to deposits as required pursuant to Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 are not applicable to the Bank. The details of the deposits received and accepted by the Bank as a Banking company have been disclosed in the financial statements for FY ended March 31, 2026 forming part of the Annual Report for FY 2025-26.

AQ. MAINTENANCE OF COST RECORDS

Being a banking company, the cost records as specified by the Central Government under Section 148(1) of the Act, are not applicable to the Bank.

AR. DETAILS IN RESPECT OF FRAUDS, IF ANY, REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, no frauds have been reported by the Statutory Auditors or the Secretarial Auditors under Section 143(12) of the Act.

AS. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, no significant or material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the Bank or its future operations.

AT. AWARDS AND RECOGNITIONS:

During the year under review, the Bank was recognised in various ways/by several institutes. Some of the key achievements and awards won by the Bank are listed below:

a) Ambition Box Employee Choice Awards 2025

b) Ecosystem-Led Innovation-Platinum Winner for Driving Digital Transformation to Modernize New Age Banking at Infosys Finacle Innovation Awards

c) Indian Banks Association (IBA) for Best Fintech Bank & DPI Adoptions and Digital Financial Inclusion

d) Bharat Fintech Summit- CIO/ CTO of the year award

e) Bharat Fintech Summit'26- Digital Innovation in Bank- Retail part of the Fintech & Digital Excellence Award

AU. PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Act, the same would be available for inspection during working hours at the Registered Office of the Bank. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Bank.

The ratio of the remuneration of each Director and employees of the Bank as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **Annexure-5**.

AV. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No proceedings are initiated/pending against the Bank under the Insolvency and Bankruptcy Code, 2016.

AW. The details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reason thereof:

Being a Banking Company, the aforesaid provision is not applicable to your Bank.

AX. RECOMMENDATIONS OF AUDIT COMMITTEE :

During the FY 2025-26, there was no incidence, where the Board has not accepted any recommendations of the Audit Committee.

The Audit Committee has acted in accordance with the Charter approved by the Board, covering oversight of financial reporting, auditors' performance, related party transactions and internal controls.

AY. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors of the Bank hereby confirms that:

a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2026, and of the profit of the Bank for the year ended on that date;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

d) the annual accounts are prepared on a going- concern basis;

e) the requisite internal financial controls followed by the Bank are adequate and were operating effectively;

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors of your Bank would like to place on record their sincere gratitude for the guidance and co-operation received from the RBI, SEBI, Stock Exchanges, MCA, Depositories and other statutory and regulatory authorities and thank all the stakeholders of the Bank including the investors, customers, bankers, shareholders, debenture holders, vendors, debenture trustee, trustee, Registrars and all other valued partners for their continued support. The Board also would like to express their appreciation for the sincere and dedicated efforts put in by all the employees of the Bank at all levels for their teamwork and continued commitment towards growth of the Bank, its customers and other stakeholders and look forward to their continued contribution in building this 'Bank of Smiles' into a world class organization.

For and on behalf of the Board

Sd/-	Sd/-
Krishna Prasad Nair	**Baskar Babu Ramachandran**
Part-time Chairman	Managing Director & CEO
& Independent Director	DIN: 02303132
DIN: 02611496	
Date: June 25, 2026	

Annexure - 1

Certificate from the Company Secretary in Practice in pursuance of Regulation 34 (3) read with clause (10) (i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
Suryoday Small Finance Bank Limited
Unit no.1101, Sharda Terraces, Plot No.65
Sector 11, CBD Belapur
Navi Mumbai - 400 614

Subject: Certificate in pursuance of Regulation 34(3) read with clause (10)(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended on March 31, 2026

Dear Sir/Madam,

1. Sub-clause (i) of Clause 10 of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a listed entity to obtain a certificate from the Company Secretary in practice, disclosing that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing to act as directors of companies, by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

2. As on date of issue of this certificate, the Board of Directors of Suryoday Small Finance Bank Limited (**"the Company"**), a listed entity, is comprised of following Directors:

Sr. No.	Name of Director	Designation	Appointment Date
1.	Mr. Krishna Prasad Nair (DIN: 02611496)	Non-Executive Part-time Chairman and Independent Director	22-07-2021
2.	Mr. John Arunkumar Diaz (DIN: 00493304)	Independent Director	16-12-2019
3.	Ms. Swati Rajendra Datye (DIN: 06751552)	Independent Director	01-02-2024
4.	Mr. Deepak Kumar Sharma (DIN: 10575402)	Independent Director	11-04-2024
5.	Mr. Vivek Anant Karve (DIN: 06840707)	Independent Director	21-01-2025
6.	Mr. Ranjit Jayant Shah (DIN: 00088405)	Nominee (Investor) Director	02-11-2018
7.	Mr. Sunil Satyapal Gulati (DIN: 00016990)	Additional Director (Independent Category)	12-03-2026
8.	Mr. Alok Sethi (DIN: 00277481)	Additional Director (Independent Category)	12-03-2026
9.	Mr. Baskar Babu Ramachandran (DIN: 02303132)	Managing Director & CEO	10-11-2008
10.	Mr. Hemant Premchandbhai Shah (DIN: 10548728)	Whole-time Director (Executive Director)	01-04-2024

3. We have been engaged to provide a certificate to the Company as referred in paragraph -1– as mentioned above.

4. For the purpose, we have considered and examined annual submissions made by each Director of the Company in pursuance of provisions of Section 164(2) read with rule 14(1) of Companies (Appointment and Qualification of

Directors) Rules, 2014, relevant information as displayed on the website of the Securities and Exchange Board of India as well on the website of the Ministry of Corporate Affairs and information generally available on public domain.

5. And based on above; we state that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Company for the financial year ending on March 31, 2026, by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

For **Tushar Shridharani & Associates LLP**
Practicing Company Secretaries

Sd/-
(Tushar Shridharani)
Designated Partner
Membership No.: FCS – 2690 / Certificate of Practice No.: - 2190
Peer Review Certificate No.: 6670/2025
UDIN:F002690H000267900

Place: Mumbai
Date: May 07, 2026

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Annexure - 2

Statement relating to the Employees Stock Options Scheme

(Pursuant to Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014)

Employees Stock Options as on March 31, 2026:

ESOP Scheme	Opening balance of options (1.4.2025)	Options granted during the year	Options vested during the year	Options forfeited/ lapsed during the year	Options exercised and shares allotted during the year	Amount received (₹ in lakhs, inclusive of premium)	No. of options outstanding at the end of the year	No. of outstanding options at the end of the year (vested)	No. of outstanding options at the end of the year (yet to be vested)
ESOP Scheme 2016	30,311	-	0	30,311	0	0	0	0	0
ESOP Scheme 2019	28,56,542	6,15,357	4,70,593	8,65,619	5,000	6,11,919.2	26,01,280	10,70,184	15,31,096
Total	**28,86,853**	**6,15,357**	**4,70,593**	**8,95,930**	**5,000**	**6,11,919.2**	**26,01,280**	**10,70,184**	**15,31,096**

Variation of terms of options: ***Not Applicable***

Money realized by exercise of options:

Total number of options in force:

Employee-wise details of options granted during the year under ESOP Scheme - 2019:

1. **Key Managerial Personnel:**

Name of employee	Designation	Number of Options granted
Hemant Shah	Executive Director	-
Kanishka Chaudhury	Chief Financial Officer	66,280
Krishna Kant Chaturvedi	Company Secretary	16,570

2. **Any other employee who receives a grant of options amounting to five percent (5%) or more of options granted during that year:**

Name of employee	Designation	Number of Options
Gaurav Pawra	Executive Vice President	66,280
Pankaj Gulati	Executive Vice President	85,000
Radhika Vinay Gawde	Senior Vice President	33,140
Sasidhar Vavilala	Executive Vice President	33,140
Senthil Kumar	Executive Vice President	72,908
Sudhakar Mogera	Senior Vice President	33,140
Vishal Singh	Executive Vice President	57,995

3. **Identified employees who were granted option, during any one year, equal to or exceeding one percent (1%) of the issued capital (excluding outstanding warrants and conversions) of the Bank at the time of grant:** Nil

Annexure - 3

The Annual Report on CSR Activities during the Financial Year 2025-26

(Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company:

The Bank's CSR Policy sets out the principles and guidelines governing the selection, implementation, and expenditure of CSR activities as specified in Schedule VII of the Companies Act, 2013, excluding activities undertaken in the normal course of business.

2. Composition of CSR & ESG Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
1	Ms. Swati Datye, Chairperson	Independent Director	4	4
2	Mr. Deepak Kumar Sharma, Member	Independent Director	4	4
3	Mr. Baskar Babu Ramachandran, Member	Managing Director & CEO	4	4

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

CSR & ESG Committee:- https://suryoday.bank.in/assets/pdf/Board%20Committees.pdf

CSR Policy :- https://suryoday.bank.in/assets/pdf/policies/suryoday-csr-policy-fy26-27-1.0.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

5. (a) Average net profit of the company as per sub-section (5) of section 135. - **₹ 1,77,41,82,343**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. - **₹ 3,54,83,647**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. - **0**

(d) Amount required to be set-off for the financial year, if any. - **₹ 1,50,59,531**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. - **₹ 2,04,24,116**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). -**₹ 2,02,76,328**

(b) Amount spent in Administrative overheads. - **0**

(c) Amount spent on Impact Assessment, if applicable. - **0**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. **₹ 2,02,76,328**

(e) CSR amount spent or unspent for the Financial Year: **₹ 2,02,76,328**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2,02,76,328	17,46,329*	29th April 2026			

*17,46,329 includes Rs.1,47,788, which remained unspent from the total obligation of Rs.2.04 Crore for the Financial Year 2025-26

(f) Excess amount for set-off, if any: **NIL**

Sl. No. (1)	Particular (2)	Amount (in ₹) (3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135 - 3,54,83,647 Less: amount set off from previous financial year - 1,50,59,531	2,04,24,116
(ii)	Total amount spent for the Financial Year	2,02,76,328
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY-1(FY25)	NIL	NIL	NIL				
2	FY-2 (FY24)	NIL	NIL	NIL				
3	FY-3(FY23)	NIL	NIL	7,00,000				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NA**

If Yes, enter the number of Capital assets created/ acquired : **NA**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

The Bank had sanctioned funds to the implementing agency; however, since the underlying projects are ongoing in nature a portion of the disbursed funds remained unutilised and transferred to CSR Unspent A/c.

Sd/-
Baskar Babu Ramachandran
(DIN: 02303132)
(Managing Director & Chief Executive Officer)

Sd/-
Swati Datye
(DIN: 06751552)
(Chairperson of CSR & ESG Committee)

Annexure - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Suryoday Small Finance Bank Limited
Unit No. 1101, Sharda Terraces, Plot No. 65,
Sector 11, CBD Belapur,
Navi Mumbai – 400 614

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Suryoday Small Finance Bank Limited (**"the Bank"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the period covering the financial year ended on March 31, 2026 (**"Audit Period"**) complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on March 31, 2026, according to the provisions of:

(i) The Companies Act, 2013 (**"the Act"**) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, to the extent applicable:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Bank during the Audit period**);

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (**Not applicable to the Bank during the Audit period**);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the SEBI Listing Regulations"**).

We have also examined compliance with the applicable provisions of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India;

(b) The Listing Agreements entered into by the Bank with BSE Limited and National Stock Exchange of India Limited; and

For the Audit Period, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Having regard to the compliance system prevailing in the Bank and on examination of the relevant documents and records in pursuance thereof, to the extent applicable, on test check basis, the Bank has complied with the following regulations / laws applicable specifically to the Bank:

(i) The Banking Regulation Act, 1949;

(ii) Reserve Bank of India (**"RBI"**) Guidelines / Directions / Circulars, as applicable to Small Finance Banks;

We further report that:

The Board of Directors of the Bank is duly constituted with proper balance of Executive, Non-Executive and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Rules made there under, the Banking Regulation Act 1949, the Guidelines for Licensing of Small Finance Banks in the Private Sector and the SEBI Listing Regulations.

Adequate notice is given to all the Directors to schedule the Meetings of the Board and Board Committees, agenda and detailed notes on agenda were generally sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit Period, all decisions at Board Meetings and Committee Meetings thereof, were carried out unanimously.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Bank had no event or action which has a major bearing on the Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Tushar Shridharani & Associates LLP**
Practicing Company Secretaries

Sd/-
(Tushar Shridharani)
Designated Partner
Membership No.: FCS – 2690 /
Certificate of Practice No.: - 2190
Peer Review Certificate
No.: 6670/2025
UDIN: F002690H000268076

Place: Mumbai
Date: May 07, 2026

Note: This report is to be read with my letter of even date which is annexed herein next as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members
Suryoday Small Finance Bank Limited
Unit No. 1101 Sharda Terraces, Plot No. 65,
Sector 11, CBD Belapur,
Navi Mumbai – 400 614

This letter is an integral part of the Secretarial Audit Report of even date for F.Y. 2025-26 submitted to Suryoday Small Finance Bank Limited (**"the Bank"**) in pursuance of provisions of Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Members of the Bank are informed as follow:

1. The compliance of provisions of all laws, rules, regulations, standards applicable to the Bank is the responsibility of the Management of the Bank. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the present Secretarial Audit Report.
2. Maintenance of the Secretarial and other records of applicable laws is the responsibility of the Management of the Bank. Our responsibility is to issue Secretarial Audit Report, based on the examination of the relevant records maintained and furnished to us by the Bank, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in Secretarial and other records produced to us. We believe that the processes and practices that we followed, provide a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Bank.

For **Tushar Shridharani & Associates LLP**
Practicing Company Secretaries

Sd/-
(Tushar Shridharani)
Designated Partner
Membership No.: FCS – 2690 /
Certificate of Practice No.: - 2190
Peer Review Certificate
No.: 6670/2025
UDIN: F002690H000268076

Place: Mumbai
Date: May 07, 2026

Annexure - 5

Information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Remuneration details of Directors, KMPs, employees

Sr No.	Particulars	Disclosures
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Bank for FY 2025-26	See table below

Director	Remuneration (In ₹)	Ratio
Mr. Krishna Prasad Nair, Part-time Chairperson and Independent Director	28,10,000	8.31
Mr. John Arunkumar Diaz, Independent Director	29,90,000	8.85
Mr. Deepak Kumar Sharma, Independent Director	26,60,000	7.87
Mrs. Swati Datye, Independent Director	20,60,000	6.10
Mr. Vivek Karve, Independent Director	18,50,000	5.47
Mr. Ranjit Shah*, Investor Director	Nil	0
Mr. Sunil Gulati, Independent Director (w.e.f. March 12, 2026)	75,000	0.22
Mr. Alok Sethi, Independent Director (w.e.f. March 12, 2026)	75,000	0.22
Mr. Hemant Shah, Executive Director	1,75,00,000	51.78
Mr. Baskar Babu Ramachandran Managing Director & CEO	2,04,00,000	60.36

Sr No.	Particulars	Disclosures
2	The percentage increase in remuneration of each Director, Managing Director, Executive Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2025-26	See table below

KMP	% increase
MD&CEO	5.15
ED	9.38
CFO	14.59
CS	6.33

Sr No.	Particulars	Disclosures
3	The percentage increase in the median remuneration of employees in the FY 2025-26	14.7%
4	The number of permanent employees on the rolls of Bank as at March 31, 2026	8574

Sr No.	Particulars	Disclosures
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average Percentile Increase in salaries of employees other than managerial personnel: 8.63% Avg. Percentile Increase in salaries of managerial personnel: 5.15%
6	Affirmation that the remuneration is as per the Remuneration Policy of the Bank	Yes

*Point No.1 - For Non-Executive Independent Directors, sitting fees paid for FY 26 have been considered.

*Point No.1 - MD & CEO and ED Remuneration includes Fixed and Retirals (PF & Gratuity).

*Point No.1 - Mr. Ranjit Shah, Investor Director, has waived the sitting fees payable to him.

*Point No.5 - Managerial Personnel includes Fixed remuneration of MD & CEO only.

*Previous year (FY 2024–25), ratio of remuneration of Non-Executive Directors (NEDs) to the median remuneration of employees of the Bank, were calculated based on average monthly amount of sitting fees/remuneration paid to the NEDS.

Explanation.-

For the purposes of this rule.- (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;

(ii) if there is an even number of observations, the median shall be the average of the two middle values.

Management Discussion and Analysis

Global economy

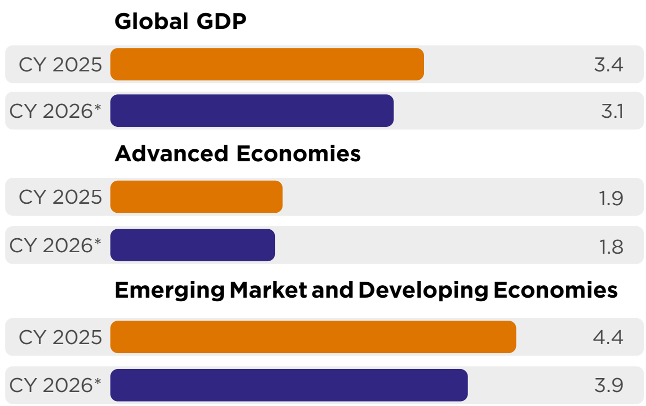
From AI-driven market exuberance to expansive government spending, CY2025 navigated a complex landscape of headwinds. Geopolitical competition intensified, while trade policies were increasingly shaped by political and security considerations rather than efficiency or multilateral frameworks. Episodes of financial stress, trade frictions and geopolitical tensions led to periodic, albeit contained, disruptions.

Despite these challenges, the global economy remained resilient, achieving growth rate of 3.4%. Inflationary pressures eased across several major economies, although trends varied by region. Emerging Market and Developing Economies (EMDEs) maintained stable growth momentum, while advanced economies expanded at a more moderate pace of 1.9%. [1]

The global trade was impacted by sweeping tariff policies undertaken by the United states. This had a deeper and more lasting shift in global trade policy triggered market instability, disrupted supply chains, and increased costs for businesses during the reporting year.

Global growth is expected to moderate to 3.1% in CY 2026. Optimism is cautious amid escalating geopolitical tensions and rising concerns over instability and energy prices. Recent developments in West Asia, including the shutdown of the Strait of Hormuz, are likely to disrupt global trade flows and energy supply chains. Such disruptions could have a pronounced impact on European economies, given their reliance on energy imports, including natural gas from Qatar. In this context, timely and coordinated policy responses will be critical to managing emerging macroeconomic risks and sustaining global economic stability.

Source: IMF April 2026



IMF April 2026 I *Projected

Indian economy

In FY 2026, India's GDP grew by 7.7%, maintaining its position as one of the fastest-growing major economies globally for the fourth consecutive year.[2] This performance was supported by timely policy measures undertaken by the Government of India to navigate global uncertainties. Key initiatives included GST rationalisation and regulatory reforms aimed at strengthening economic activity and improving the ease of doing business. During the year, foreign exchange reserves increased to USD 701.4 billion, compared to USD 668.0 billion at the end of March 2025.[3] Growth was largely driven by strong domestic demand and private consumption, while capital formation showed gradual improvement. Household consumption remained central to demand-side expansion. On the supply side, manufacturing activity strengthened, and the services sector continued to play a significant role in overall growth. Additionally, the system-level financial parameters related to capital adequacy, liquidity, asset quality and profitability of Scheduled Commercial Banks (SCBs) & Non-Banking Finance Companies (NBFCs) continue to remain healthy.

Looking ahead, IMD's (India Meteorological Department) latest outlook indicates a likely below-normal and uneven monsoon for FY27, influenced by evolving El Niño conditions, which may moderate kharif output and impact rural incomes and demand, with potential implications for credit growth and asset quality. A weaker or uneven monsoon could also keep food inflation elevated, influencing overall macroeconomic conditions, and therefore remains a factor that is being cautiously monitored given risks from rainfall variability and extreme weather events.

As per the first advance estimates, the share of private final consumption expenditure (PFCE) in GDP increased to 61.5%, reflecting a stable macroeconomic environment supported by moderate inflation, stable employment conditions and improved real purchasing power.[4] In line with the long-term vision of Viksit Bharat @ 2047, the Union Budget 2025–26 allocated ₹11.21 lakh crore towards infrastructure development.[5] The budget also introduced direct tax reforms, including higher exemption limits, providing relief to individual taxpayers. Continued GST reforms further streamlined the tax framework, supporting a consumption-led and entrepreneurial economy. Further, investment remained a key driver of growth with gross fixed capital formation (GFCF) grew by 7.8% in the reporting year. Easing inflation supported

[1] https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT23042026FL5A726E38FAF84453B435F18A3709DD11.PDF

[2] https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf

[3] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219971&reg=3&lang=2

[4] https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=2219912&reg=3&lang=2

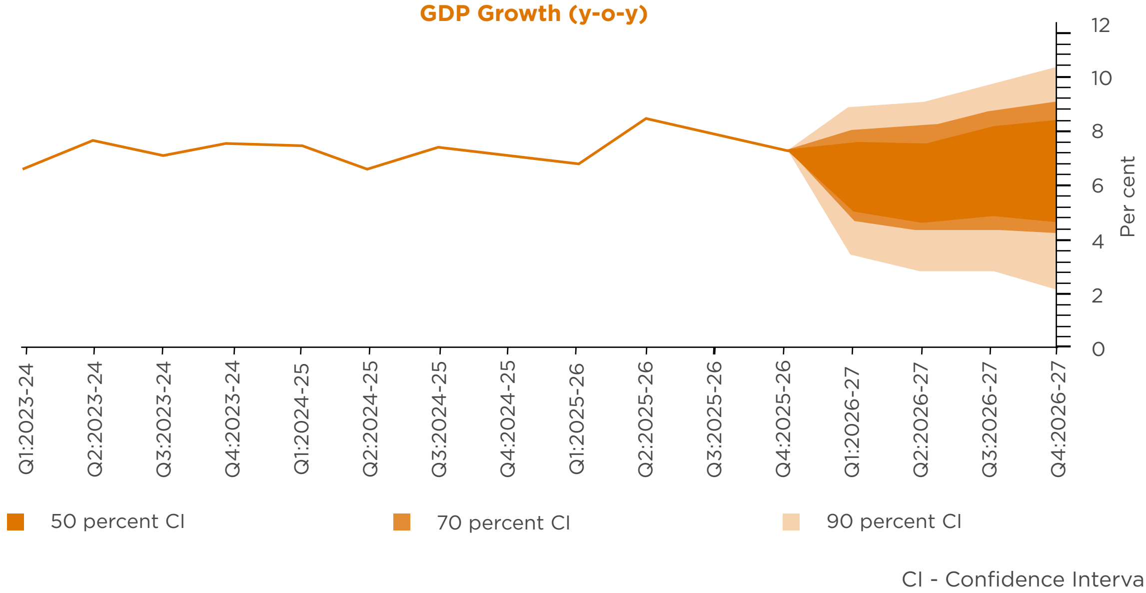
[5] https://www.indiabudget.gov.in/doc/budget_speech.pdf

real incomes and reinforced consumption-led growth. The trade agreement between India and the United States has led to a reduction in reciprocal tariffs on Indian products from 25% to 18%, while the additional 25% punitive duty has also been withdrawn. This revised tariff framework is expected to enhance the competitiveness of Indian exports and support the diversification of export destinations beyond the European Union and the Middle East. Furthermore, India's tariff levels continue to remain lower than those of several regional peers, including Vietnam, Bangladesh, China, Thailand, Pakistan and Indonesia, potentially strengthening its position in labour-intensive and export-driven sectors.

The conflict in West Asia remains a source of risk for the Indian economy, with the potential to drive higher crude oil prices, disrupt maritime trade routes and exert pressure on the Indian Rupee. Notwithstanding these challenges, India's economic outlook continues to be supported by resilient domestic demand, easing inflation and stable macroeconomic fundamentals.

In addition, the Union Budget 2026–27 introduced the 'Kartavyas' framework, which is focused on improving productivity, enhancing competitiveness and building resilience against global uncertainties. FY 2026–27 may represent a phase of adjustment as businesses and consumers respond to evolving economic conditions. However, strengthening demand and investment activity are expected to provide support to economic growth. Further, the recently concluded EU–India Free Trade Agreement is expected to improve market access for Indian goods and services through tariff rationalisation and simplified regulatory procedures.

Chart 1 : Quarterly Projection of Real GDP Growth (y-o-y)



RBI Bulletin April 2026

Industry Overview

Banking Industry

Indian Banking Industry

India's banking sector remains a key contributor to the country's economic development by facilitating capital mobilisation, expanding access to credit, and advancing financial inclusion. Banking institutions provide a wide range of financial services, including deposit mobilisation, lending, transaction support, and products such as savings accounts, credit cards, and loans. Through these functions, the sector supports investment activity, meets individual financial requirements, and contributes to overall economic progress. Banking regulation in India has also evolved in line with the country's economic and institutional development and continues to be guided by five cornerstone legislations. Over the years, the industry has undergone a significant transformation, moving from a paper-based and branch-centric model to a digitally enabled ecosystem. This transition has been supported by technological advancements, policy initiatives, and the growing adoption of digital banking services. The sector has benefited from strong economic growth, rising disposable incomes, increasing consumer spending, and improved access to formal credit. Digital payment platforms, particularly Unified Payments Interface, have witnessed rapid growth and have significantly enhanced the accessibility and efficiency of financial transactions. According to the Reserve Bank of India, the banking sector remains well regulated and adequately capitalised.

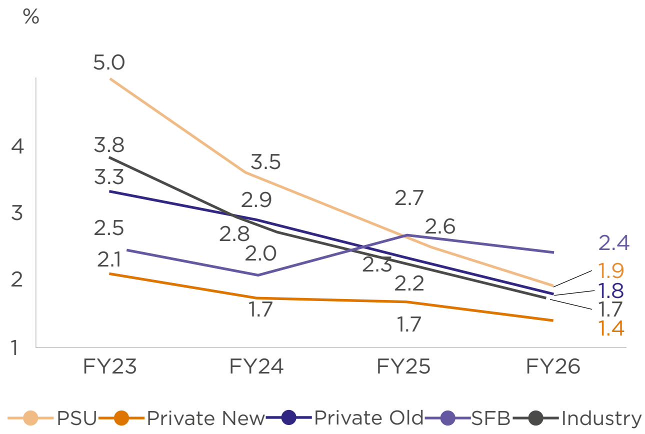
The Indian banking sector has continued to perform strongly, supported by a resilient macroeconomic environment. The industry is characterised by healthy balance sheets, robust profitability, improving asset quality, and banking coverage extending to more than 98% of villages across the country.

In FY26, the banking industry maintained a stable return on assets (ROA) of 1.3%. Capitalisation levels remained strong across the sector, with banks reporting capital adequacy ratios in excess of 14%, underscoring the resilience of their risk management capabilities. The industry also witnessed an improvement in operational efficiency, as the cost-to-income ratio (CIR) moderated by 15 basis points year-on-year to 48.6% in FY26. Among different segments, the CIR stood at 50.0% for PSU banks, 46.5% for private banks and 63.9% for small finance banks. Loan growth remained steady at 15.0% year-on-year during FY26. Deposit mobilisation continued to be healthy, with overall deposits registering year-on-year growth of 12.0%. The industry CASA ratio was 37.6% in FY26 as compared to 38.1% in FY25. CASA deposits and term deposits grew by 9.8% and 12.4% year-on-year, respectively. Asset quality strengthened further during the year, with the gross non-performing asset (GNPA) ratio improving to 1.7% in FY 2026 from 2.2% in FY 2025, reflecting an improvement in the asset quality.[6]

Growth in the sector has been supported by sustained economic expansion, rising household incomes, increasing consumer demand, and broader credit availability. In addition, payment systems such as Real Time Gross Settlement, National Electronic Funds Transfer, Immediate Payment Service, and Unified Payments Interface have strengthened the reach of banking services, improved transaction efficiency, and accelerated the development of a digitally integrated financial ecosystem.

The sector has maintained comfortable liquidity conditions, with liquidity levels remaining well above regulatory requirements. Scheduled Commercial Banks also continued to report strong capitalisation, with capital adequacy ratios remaining above 15.0%, reflecting the sector's resilience and prudent risk management practices. Asset quality improved further during the year, supported by a continued decline in non-performing assets, stable slippage levels, and sustained balance sheet growth. The reduction in bad loans to multi-decade lows strengthened overall financial stability and reinforced confidence across the banking ecosystem. Gold loans continued to emerge as an important growth driver for banks, particularly public sector banks. Rising gold prices contributed to higher loan ticket sizes and increased the significance of gold loan portfolios. At the same time, maintaining prudent loan-to-value ratios remains important. Increased reliance on growth supported by collateral values may pose sustainability concerns in the event of fluctuations in gold prices and changes in borrower behaviour.

Gross NPAs by bank category



Opportunities and threats

Opportunities

- Economic growth is contributing to higher demand for loans, deposits, and a wider range of banking services.
- Increasing disposable incomes are supporting greater savings, investments, and uptake of retail banking products.
- Ongoing financial inclusion efforts are expanding banking outreach and bringing more customers into the formal financial system.
- Advancements in digital technologies are helping banks improve efficiency and extend services to a broader customer base.
- Greater availability of credit is supporting lending growth and creating opportunities for expansion across the banking sector.

Threats

- Growing cybersecurity threats may affect digital banking services and increase information security challenges
- An increase in borrower defaults may lead to higher credit costs and impact banks' financial performance
- Rising levels of non-performing assets may affect asset quality and limit lending growth

[6]https://web-assets.bcg.com/92/f8/5842450a455da1227526e1ef1046/banking-sector-roundup-fy26.pdf

Regulatory Measures

India's banking sector has undergone significant transformation over the years, evolving from traditional banking systems and early computerisation towards a digitally enabled and technology-driven ecosystem supported by biometric identity infrastructure. These initiatives have played an important role in strengthening financial inclusion by expanding access to formal banking services across urban and rural markets.

The Banking Laws (Amendment) Act, 2025 marked a significant step towards strengthening governance standards within the banking sector. The Act aims to improve depositor and investor protection while enhancing customer convenience through improved nomination facilities. The Banking Laws (Amendment) Act, 2025 amended five legislations with the objective of strengthening banking governance, improving audit transparency, enhancing depositor protection and bringing cooperative banks under a stronger regulatory framework. These reforms are expected to support greater stability, transparency and operational efficiency across the banking sector.

Key measures undertaken by RBI to support Banking sector in India

The Reserve Bank of India (RBI) remained focused on maintaining sufficient liquidity within the banking system to support the productive needs of the economy, including the rural sector, and to ensure effective transmission of policy rates across financial markets. Under the Priority Sector Lending framework, Commercial Banks, Regional Rural Banks, Small Finance Banks, Local Area Banks, and eligible Urban Co-operative Banks are required to allocate a minimum of 18.0% of their Adjusted Net Bank Credit or Credit Equivalent of Off-Balance Sheet Exposures, whichever is higher, towards agriculture. Within this requirement, a sub-target of 10.0% has been prescribed for Small and Marginal Farmers.

In a further measure to improve credit availability for the agricultural sector, the limit for collateral-free short-term agricultural loans, including loans for allied activities, was enhanced from ₹1.60 lakh to ₹2.00 lakh per borrower.[7]

During the year, the Monetary Policy Committee of the RBI lowered the policy repo rate by 25 basis points to 5.25%. The RBI also introduced liquidity support measures aimed at facilitating the flow of credit across sectors. These included open market bond purchases and a three-year USD/INR swap. These initiatives were undertaken to strengthen system liquidity and support the smooth availability of credit within the economy.

Outlook

The Union Budget proposed the formation of a High Level Committee on Banking for Viksit Bharat to comprehensively review the banking sector and align it with India's next phase of economic growth, while safeguarding financial stability, inclusion and consumer protection. Indian banks are expected to benefit from an anticipated improvement in credit growth following strong financial performance for the year ended 31 March, 2026. Improving liquidity conditions and lower interest rates are expected to further support lending activity across the sector. Asset quality trends are also expected to remain stable, with non-performing asset ratios across the banking industry declining to their lowest levels in nearly a decade. This improvement has been supported by tighter regulatory oversight by the Reserve Bank of India, aimed at strengthening balance sheets and improving asset quality standards across banks. NPAs likely to remain near historic lows, supported by strong capital buffers and prudent risk management; closer monitoring of unsecured portfolios remains vital. RBI projects GNPA could decline further to ~1.9% by 2027.

Performance of SFBs and MFIs

Small Finance Banks (SFBs) and Microfinance Institutions (MFIs) remain integral to India's financial ecosystem, playing a pivotal role in advancing financial inclusion and supporting economic activity across diverse regions. These institutions continue to expand access to formal financial services, particularly in underserved and semi-urban markets. Advances of SFBs are expected to exceed ₹2 lakh crore, driven by sustained growth in non-microfinance segments and a gradual recovery in the microfinance portfolio following the contraction observed in the previous fiscal year. While credit growth remains healthy, strengthening a granular and stable liability base remains a key strategic priority for SFBs.

Microfinance guardrails in India, enforced by self-regulatory organisations such as the Microfinance Industry Network and Sa-Dhan, were introduced to promote responsible lending practices and address borrower over-indebtedness. The latter was identified as the principal factor contributing to the significant stress experienced by the sector over the past two years. During the reporting year, the microfinance industry experienced a decline in lending activity, largely influenced by the introduction of new regulatory norms and a more cautious approach adopted by lenders. Consequently, the industry's portfolio outstanding contracted by 17.0% on a year-on-year basis between March 2025 and March 2026. Notwithstanding the moderation in lending exposure, asset quality improved over the course of the year.

---

[7]http://pib.gov.in/PressReleaseDetail.aspx?PRID=2246856&reg=6&lang=1

[8]https://www.equifax.co.in/about-equifax/press-releases/-/intlpress/microfinance-sector-rebounds-with-rs-78-938-crore-disbursements-delinquency-drops-to-2-35-shows-latest-sidbi-equifax-microfinance-report

As of March 2026, the industry's portfolio outstanding stood at ₹ 2,77,053 crore, comprising approximately ₹5.5 crore unique live borrowers and ₹ 7.6 crore active loans. While the sector remained under pressure for most of the year, disbursement activity strengthened considerably during the January–March 2026 quarter. Total disbursements reached ₹ 78,938 crore, representing one of the strongest recovery phases witnessed by the industry following an extended period of slowdown.[8]

While there has been a broad perception that the microfinance industry has largely overcome its challenges, detailed deliberations led to the decision to introduce additional safeguards to prevent a recurrence of similar difficulties. Accordingly, a new set of guardrails has been finalised under the framework of SANKALP 2.0. These guidelines are expected to support the healthy and sustainable development of the microfinance sector. They also seek to strengthen transparency and governance standards while reinforcing principles of adequate client protection.

The framework continues to focus on three critical areas that require ongoing attention

Pricing

Transparent and equitable loan pricing enables the benefits arising from operational efficiencies to be passed on to borrowers.

Discipline

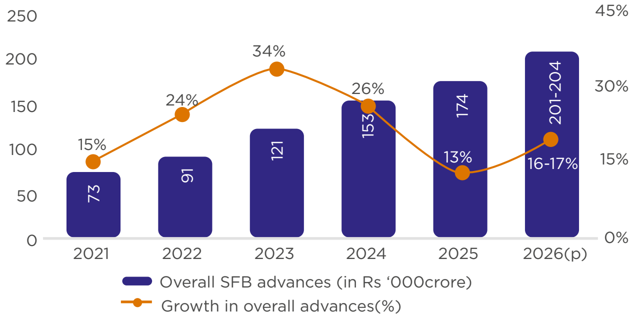
Compliance with the Code of Conduct and responsible lending practices remains essential.

Over-indebtedness

Excessive lending can result in borrower overleveraging and higher default risk.

Annexure

Chart 1: Trend in advances Growth of SFBs

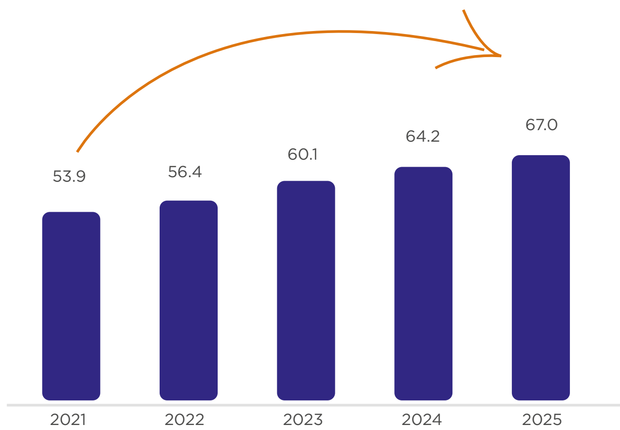


Note: Crisil Ratings estimates; excluding the advances of one SFB which has recently been granted in-principle approval for transitioning to a universal bank

Inclusive Finance

Bridging the financial gap remains essential for sustained economic growth, making equitable access to financial services a key priority. To monitor progress in this area, India has introduced multiple strategies, enabling a more effective evaluation of policy initiatives aimed at financial inclusion. Reflecting the progress made, the Financial Inclusion Index increased to 67 in 2025, representing growth of 24.3% since 2021. This underscores the continued commitment of the Government towards bringing every citizen into the country's expanding digital financial infrastructure.[9]The impact of these efforts is evident across both rural and urban regions, reflecting the growing reach of an inclusive financial system. Financial services, such as bank accounts, credit, pensions and insurance, have become progressively more accessible, extending beyond previously underserved segments. To further advance the vision of universal banking access and unlock broader economic benefits, including enhanced output, reduced poverty and lower income inequality.

Financial Inclusion Index



Objectives of financial inclusion

Universal access to financial services

Providing a basic bouquet of financial services

Access to livelihood and skill development

Financial literacy and education

Consumer protection and grievance redressal

Effective co-ordination

[9]https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154980&ModuleId=3&reg=48&lang=2_

Key initiatives under Financial Inclusion

Pradhan Mantri Jan Dhan Yojana (PMJDY)

The scheme aims to promote financial inclusion by providing access to basic banking services. It offers zero-balance accounts, accident insurance cover of ₹1 lakh and an overdraft facility of up to ₹10,000 for eligible account holders.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

PMSBY has completed a decade of providing accident insurance coverage, particularly to economically vulnerable sections of society. The scheme offers financial protection in the event of accidental death or disability and has achieved wide coverage across the country.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

PMJJBY is a life insurance scheme that provides coverage in the event of death due to any cause. It is designed to offer affordable insurance to a broad population, including rural and low-income segments, with a life cover of ₹2 lakh at an annual premium of ₹436 per subscriber.

Atal Pension Yojana (APY)

The Atal Pension Yojana provides a defined monthly pension, enabling financial security in old age. It primarily targets workers in the unorganised sector who lack access to formal pension arrangements.

CGFMU Scheme

The Credit Guarantee Fund for Micro Units (CGFMU) is a government-backed scheme that facilitates collateral-free loans of up to ₹20 lakh for micro entrepreneurs under the Pradhan Mantri Mudra Yojana (PMMY).

Key Growth Drivers and Developments FY 2025-26

Digital Lending Infrastructure

Digital lending infrastructure is emerging as a major growth driver for inclusive finance as it offers faster processing, wider digital reach and simplified access to credit thereby, enabling lenders to serve underserved segments, particularly rural borrowers, thereby reducing existing credit gaps

Rise of Tier 2 and Tier 3 Markets

The increasing economic activity in Tier 2 and Tier 3 markets is supporting the growth of inclusive finance. Greater retail lending and deeper fintech penetration in these markets are expanding access to formal financial services for previously underserved segments

Banks and NBFCs coming together to strenghten banking ecosystem

The co-lending ecosystem is strengthening inclusive finance by combining the capital strength of banks with the distribution capabilities of NBFCs thereby, helping extend credit to underserved sections of society and widening the reach of formal lending channels

Capital Infusion

Capital infusion serves as an important growth driver for inclusive finance by strengthening the financial resilience of banks and increasing their lending capacity. This, in turn, supports wider financial inclusion among underserved, low-income and rural populations.

Financial Literacy

Financial literacy continues to be an important driver of inclusive finance as its improves awareness and understanding of financial products. This further enables underserved populations to access and use formal financial services with greater confidence

Technology-Led Lending Evolution

Financial inclusion is supported by rapidly advancing digital infrastructure, which has improved financial literacy and broader access to formal financial services. Digital lending has emerged as a key enabler, supported by the growth of the digital economy, rising internet penetration and increased smartphone usage. This has created a conducive environment for the growth of fintech-based lending solutions.

Fintech players are central to this shift, expanding access to credit by reaching underserved and unbanked segments and bringing them into the formal financial system.

Mortgage

Home mortgage refers to a loan extended by banks and financial institutions for the purchase of a residential property, with the property remaining as collateral until full repayment of the loan. The Indian home mortgage finance market continues to exhibit strong growth prospects and is projected to reach a market size of $ 969.52 billion, reflecting a compound annual growth rate of 12.44%. In 2025, purchase mortgages accounted for 70.68% of the market, making them the largest segment within the home mortgage finance industry. The market structure remains moderately fragmented, with leading lenders contributing a substantial share of annual disbursements, while specialised players continue to compete for market share. [10]

Housing Loan

In recent years, the Indian housing loan sector has witnessed strong growth, driven by rising urbanisation, favourable government policies, increasing disposable incomes and the steady expansion of the middle class. A conducive monetary environment, coupled with increased digitalisation in loan processing and deeper penetration into Tier 2 and Tier 3 cities, has further strengthened this upward trajectory. The industry remains moderately to highly competitive, with public sector banks, private sector banks and housing finance companies competing across customer segments, ticket sizes and geographies.

Several trends have also influenced the sector's development. Younger working professionals are entering the housing market earlier, encouraged by better career prospects and improved access to credit. Moreover, the integration of technological advancements is expediting the process from a manual, document-heavy process to a digital-first, automated, and predictive industry. Looking ahead, the market is expected to grow at a CAGR of 13.44% during the period between 2026 and 2031.[11] The industry's growth is expected to be supported by several emerging trends, including deeper penetration into Tier II and Tier III cities, the increasing adoption of digital-first lending platforms, and changing borrower demographics. In addition, formal job creation and improvements in income verification infrastructure are expanding mortgage eligibility and enabling a larger pool of borrowers to access financing.

Key Growth Drivers and Developments

Key growth drivers

Growing urbanisation

Growing urbanisation remains a major driver of the housing loan market in India, as increasing migration towards urban centres is raising the demand for affordable housing and, in turn, increasing the need for home financing

Increasing middle class segment

The expansion of the middle-class population is supporting the growth of housing loans. Higher disposable incomes and rising aspirations for home ownership are increasing demand for affordable and mid-segment housing, thereby driving greater uptake of housing finance

Digital adoption in loan processing facility

Digital adoption is also accelerating the growth of the housing loan segment. The use of e-KYC, AI-led credit assessment and paperless approvals has reduced processing time, improved customer experience and supported faster loan disbursement, particularly among millennials.

No pre-payment or foreclosure charges

The RBI's reaffirmation of the prohibition on pre-payment and foreclosure charges for floating-rate loans, including housing loans, is expected to improve borrower affordability and facilitate higher loan turnover. This is likely to support increased demand for housing loans and contribute to the continued growth of the industry

Government initiatives

Government initiatives continue to play an important role in supporting the housing loan sector. Policies and schemes relating to affordable housing, interest subsidies and urban infrastructure are improving housing affordability and expanding demand for home loans.

[10] https://www.mordorintelligence.com/industry-reports/india-home-mortgage-finance-market

[11] https://www.mordorintelligence.com/industry-reports/india-home-loan-market

Government initiatives

Pradhan Mantri Awas Yojana (PMAY)

PMAY-U 2.0 will support the housing loan industry by increasing the supply of affordable housing in urban areas, thereby creating higher demand for home loans among urban homebuyers

Credit Linked Subsidy Scheme (CLSS)

The credit-linked subsidy component supports the housing loan industry by improving loan affordability for urban homebuyers, thereby increasing demand for housing loan and expanding the borrower base

Loan Against Property

The Indian Loan Against Property market recorded steady growth during the reporting year, supported by rising demand for secured financing across a broad range of borrowers. Real estate assets are increasingly being utilised to address varied funding requirements, including business expansion, working capital, education-related expenses, and other personal financial needs. Improved access to credit, greater awareness among borrowers, and wider acceptance of property-backed lending have collectively contributed to the market's growth. The market has benefited from increasing awareness of loan against property offerings among self-employed individuals and small business owners, resulting in a broader customer base and higher participation levels. Financial institutions have also continued to enhance their product portfolios through competitive pricing, strengthened underwriting practices, and expanded distribution networks. In addition, investments in digital technologies and partnerships with fintech platforms have improved access to such financing solutions and supported adoption across multiple borrower segments.

During the year, one of the key developments in the industry was the increasing use of digital lending platforms. These platforms have simplified application procedures, document verification, credit evaluation, and loan disbursement processes. Another notable trend was the launch of specialised small-ticket loan against property products aimed at meeting the financing needs of micro and small enterprises. Such offerings have helped address funding gaps, particularly in Tier II and Tier III cities, while contributing to financial inclusion and supporting portfolio expansion for lenders.

North India remained the largest regional market in 2025, accounting for a 31% share.[12] The region's position was supported by the concentration of commercial activity in the Delhi-National Capital Region, significant property ownership among business communities, and a strong financial infrastructure that facilitates secured lending activities. The outlook for the Indian Loan Against Property market remains favourable. Financial institutions are expected to continue strengthening product customisation, expanding their reach across emerging urban centres, and enhancing digital capabilities. These factors are anticipated to support continued market expansion and improve the availability of secured financing across the country.[13]

Growth trend of LAP

2026
2034

12.96%
CAGR growth

Micro Housing Loan

The micro housing finance industry in India caters to the housing finance needs of Economically Weaker Sections (EWS) and Low-Income Groups (LIG), primarily across Tier-2, Tier-3, and Tier-4 cities, through specialised small-ticket housing loans. Loan amounts typically range between ₹2 lakh and ₹15 lakh, with repayment tenures generally extending from 10 to 15 years. Interest rates vary depending on the lender and are generally in the range of 12% to 14%.

The loans are mainly availed for the construction of residential properties on self-owned plots, the extension and repair of existing dwelling units through the addition of rooms or an extra floor, and the purchase of residential properties, including stand-alone houses as well as new and resale flats.

Micro LAP

Micro Loan Against Property (LAP) is a secured lending product that caters to the financing needs of individuals and small business owners through small-ticket loans. Under this arrangement, borrowers can raise funds by mortgaging residential, commercial, mixed-use properties, or plots of land. The product also enables access to credit for individuals who may not have traditional income documentation, including income tax returns and other proofs of income. The facility allows borrowers to avail financing within a specified loan range and select repayment tenures based on their financial circumstances. Since the loan is backed by property, it offers security to lenders while providing borrowers with a convenient source of funding for various financial requirements.

Commercial Vehicles Loans

India's commercial vehicle financing sector has demonstrated steady progress, underpinned by sustained momentum in recent years. This expansion is driven by record government capital expenditure on roads and logistics, the formalisation of interstate freight

[12] https://www.imarcgroup.com/india-loan-against-property-market

[13] https://www.imarcgroup.com/india-loan-against-property-market

movement under GST and the rapid digitalisation of non-bank lenders, which has significantly reduced loan approval timelines.

The market is categorised into light, medium and heavy commercial vehicles, each serving distinct operational requirements. The sector plays a critical role in facilitating vehicle ownership, thereby supporting a broad spectrum of business and logistics activities across the economy.

A key trend expected to support industry growth is the continued emphasis on infrastructure development through higher government capital expenditure. In the Union Budget 2025-26, an allocation of INR 11.21 lakh crore was made towards capital projects, including the expansion of highways and other infrastructure initiatives. The increased focus on infrastructure creation is expected to drive demand for commercial vehicles and support growth across the industry.

Going forward, the industry is anticipated to sustain its growth momentum and grow at a CAGR of 6.81% from 2026 to 2031.[14] Despite this strong performance, automakers and industry experts have expressed caution regarding the near-term outlook due to rising inflationary pressures, increasing fuel costs and ongoing geopolitical uncertainties. The commercial vehicle loan segment may face challenges from higher fuel prices arising from geopolitical conflicts. As fuel constitutes a significant portion of operating expenses, rising prices can substantially increase costs for commercial vehicle operators. The resulting strain on cash flows may prompt fleet operators to postpone vehicle purchases and could also elevate the risk of EMI defaults.

2026
2031

~6.81%
CAGR growth

Key Growth Drivers

Economic Growth

Continued economic growth is expected to increase industrial activity, trade and movement of goods and this is expected to increase the requirement for commercial vehicles and therefore, support higher demand for commercial vehicle financing

GST Reforms

The reduction in GST on commercial goods vehicles from 28% to 18% is expected to improve vehicle affordability. This may support purchase demand and fleet expansion, thereby encouraging credit uptake and creating growth opportunities for commercial vehicle financing[15]

Infrastructure Development

Ongoing investment in roads, highways and logistics infrastructure is expected to strengthen transport activity across the country. The resulting increase in the requirement for transport vehicles is expected to accelerate the growth in commercial vehicle loans.

Increased Partnerships with Automobile Dealers

Growing partnerships between lenders and automobile dealers are helping financiers connect directly with customers at the point of purchase. This will facilitate quicker financing solutions and support higher disbursement of commercial vehicle loans.

Digital Lending and Faster Approvals

The increasing adoption of digital lending platforms and faster approval processes is improving customer convenience and reducing turnaround time and this is also enabling lenders to reach a broader borrower base, particularly small fleet owners and individual operators.

[14] https://www.mordorintelligence.com/industry-reports/commercial-vehicle-financing-market

[15] https://www.pib.gov.in/FactsheetDetails.aspx?Id=150302&reg=3&lang=2

MSME Loans

Micro, Small and Medium Enterprises (MSMEs) remain integral to India's economic development and are widely recognised as a primary engine of growth. It plays a pivotal role in job creation, particularly in rural and underdeveloped regions, thereby supporting efforts to alleviate unemployment and reduce poverty. The sector contributes approximately 35.4% to manufacturing output, 48.6% to exports and 31.1% to GDP, encompassing over 7.47 crore enterprises that collectively employ more than 32.82 crore individuals[16].

In 2025, the sector experienced significant growth and further strengthened its position, supported by increasing formalisation, better access to credit, and sustained expansion across a range of industries.

India's vision of Viksit Bharat places MSMEs at the centre of its growth strategy, with a strong emphasis on enhancing market access both domestically and globally. Initiatives such as the Government e-Marketplace (GeM) have improved connectivity between businesses and buyers, while simplified regulations and digital interfaces have strengthened the overall ease of doing business. The Union Budget 2026–27 introduced a three-pronged strategy aimed at enabling MSMEs to evolve into globally competitive enterprises by providing access to equity, liquidity, and professional support.

Further, the Digital India initiative continues to accelerate the sector's transformation by enabling the adoption of digital tools, including cloud-based solutions and online marketplaces. This has optimised operational efficiency and scalability across enterprises. The MSME Digital Maturity Index increased from 56.6 in 2023 to 58.0 in 2025, indicating gradual progress.[17] A key trend influencing the growth of the Indian Micro, Small and Medium Enterprises sector is the improving access to finance through digital innovation. The increasing adoption of fintech-enabled solutions, including digital payments, peer-to-peer lending, and online credit assessment platforms, is helping address traditional financing constraints and improve capital access for enterprises. Funding availability has also been supported by government initiatives such as the Emergency Credit Line Guarantee Scheme, further strengthening credit access across the sector.

Key Growth Drivers

Digital adoption

Digital adoption is emerging as an important growth driver for the MSME loan industry. Greater formalisation, increasing digital transactions and improved availability of business data are enabling lenders to assess MSMEs more efficiently. This is improving access to finance, particularly for small enterprises in semi-urban and rural markets

Technology upgradation

As MSMEs increasingly invest in technology, their productivity and competitiveness continue to improve. This strengthens their credit profile and creates greater demand for loans to support expenditure on machinery, automation and digital infrastructure

Government support and policy incentives

Government support and policy incentives continue to support the growth of the MSME loan industry. Improved access to finance and greater encouragement towards formal borrowing are enabling lenders to reach a wider MSME base. This is increasing loan penetration and contributing to the overall expansion of the industry

Skill development and entrepreneurship

The continued focus on skill development and entrepreneurship is leading to the emergence of more capable business owners and sustainable enterprises. This is encouraging higher MSME formation and increasing demand for working capital as well as business loans

[16]https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=157367&ModuleId=3&reg=3&lang=1

[17]https://indianchamber.org/page/sectors/msme-skill-development-

Government Schemes and Support

Prime Minister's Employment Generation Programme (PMEGP)

The scheme provides financial assistance for self-employment ventures with the aim of generating sustainable employment opportunities across both rural and urban areas. It seeks to create stable livelihood opportunities for unemployed youth and traditional artisans, thereby reducing occupational migration.

Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE)

This initiative facilitates access to credit for first-generation entrepreneurs by eliminating the requirement for collateral or third-party guarantees. It offers guarantee cover on loans extended to MSEs with eligible loan amounts of up to ₹5 crore and guarantee protection ranging between 75% and 90%.

Entrepreneurship and Skill Development Programme (ESDP)

The programme is designed to encouraged the establishment of new enterprises while enhancing the capabilities of existing MSMEs. It also fosters an entrepreneurial ecosystem by developing skills, strengthening motivation and encouraging a results-oriented mindset across various sections of society.

Challenges faced by MSME sector in India

Limited Access to Finance

Access to adequate financing remains a challenge for many MSMEs due to weak credit profiles, insufficient collateral and complex lending procedures. These constraints can restrict investments in technology, infrastructure and business expansion, thereby limiting growth opportunities

Skilled Labour Availability

MSMEs continue to face difficulties in recruiting and retaining skilled workers. The challenge is particularly evident in semi-urban and rural areas, where access to trained and qualified manpower is often constrained

Regulatory Compliance Burden

Compliance with multiple regulatory, taxation and legal requirements can be demanding for MSMEs. Navigating different central and state-level frameworks often involves considerable time and cost, adding to the administrative burden of operations

Market Access Constraints

Limited marketing resources and a relatively modest presence across digital and social media platforms can reduce market visibility. In addition, many MSMEs lack sufficient exposure to global market networks and experience in using e-commerce channels for export-oriented sales.

Company Overview

Established in 2008, Suryoday Small Finance Bank Limited (Suryoday SFB) began as a microfinance institution and has since transformed into a digital-focused small finance bank, with a strong emphasis on financial inclusion through responsible retail lending. Over time, the Bank has broadened its presence across Inclusive Finance, Housing Finance (including micro mortgages), Loan Against Property (LAP), Vehicle Finance (primarily commercial vehicles), lending to NBFCs, Corporate Lending and emerging MSME segments. As of March 2026, its secured lending portfolio comprised 55% of its total advances portfolio, indicating a judicious balance between yields and asset quality.

The Bank serves a diverse customer base, including small entrepreneurs seeking access to credit, salaried individuals building savings and families aiming for long-term financial security. Suryoday is among the select institutions granted a Small Finance Bank licence by RBI and currently operates across 16 states and UTs. Its operating model combines an expansive branch network with digital capabilities to enhance service delivery. As on 31st March, 2026, the Bank had 4.2 million live customers, delivering various liability and lending products. Its CASA (current account and savings account) ratio was comfortable at 22.6% and its capital adequacy was strong at 20.5%, well above regulatory threshold of 15%.

Product Portfolio

The Bank offers a well-diversified suite of financial products tailored to the needs of micro-entrepreneurs, underserved communities and individuals across low- and middle-income segments. Its portfolio encompasses inclusive finance, secured retail lending, institutional financing as well as an expanding range of digital credit and deposit solutions.

Our strategic shift from the JLG model towards individual lending (Vikas Loan) continues to gain traction. Vikas Loan and new-to-bank Vikas Loan comprises 75% of micro-banking portfolio. Importantly, close to 98% of the Inclusive Finance portfolio remains covered under the CGFMU scheme, providing strong capital protection during periods of unforeseen industry stress. The CGFMU initiative has played a significant role during the stress cycle and has provided mitigation of ~ ₹650 crore in terms of P&L impact.

In addition, the Bank extends credit to regulated financial intermediaries through its Financial Institutions Group (FIG) vertical, covering NBFCs, microfinance institutions and other institutional entities. Its growing expansion into MSME lending, through both direct channels and partnerships, has further strengthened its presence in relatively underpenetrated retail and business credit segments.

The Bank also provides a comprehensive range of deposit products, including savings and current accounts, fixed deposits (FDs) and recurring deposits (RDs). These are supported by specialised offerings such as Double Joy Deposits (DJD), along with digital banking services such as mobile banking and UPI-based payment solutions.

Particulars	As of 31st March, 2026		As of 31st March, 2025	
	(₹ Cr)	% of Total	(₹ Cr)	% of Total
JLG	1,520	11.4%	2,062	20.0%
Vikas	4,444	33.6%	3,027	30.0%
Wheels*	1,819	13.7%	1,336	13.0%
HL	833	6.3%	725	7.0%
LAP	1,577	11.9%	1,056	10.0%
Micro Mortgage	603	4.5%	406	4.0%
FIG	1,424	10.7%	1,147	11.0%
SCF	407	3.1%	259	3.0%
MSME	166	1.3%	38	0.3%
#Others	468	3.5%	194	2.0%
Total	**13,261**		**10,251**	

* Includes CV, TW & Car

includes Digital Partners

Asset Products

The Bank's asset products are structured to address the credit requirements of underserved individuals, micro-entrepreneurs and retail borrowers, with an increasing focus on secured lending.

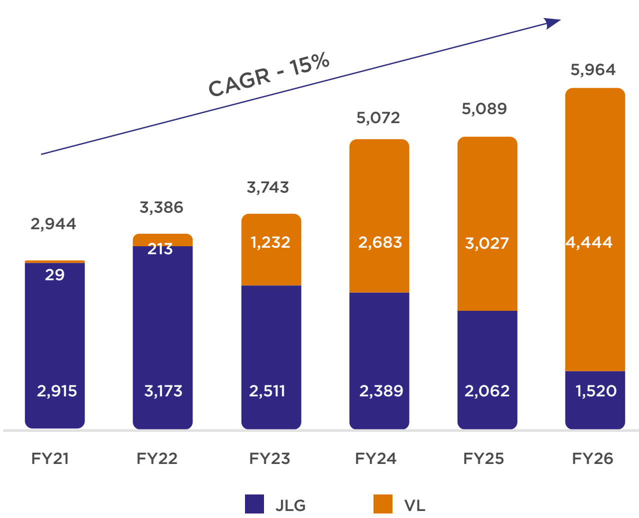
Asset product portfolio

1. Inclusive Finance Loans
2. Commercial Vehicle Loans
3. Mortgages and Micro Mortgages
4. Financial Intermediary Group (FIG) Loans

Inclusive Finance Loans

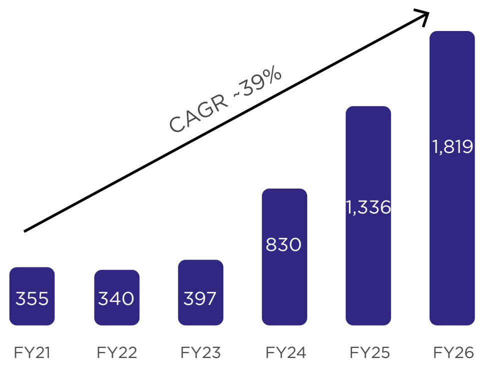
In FY 2026, Inclusive Finance recovered from the stress experienced earlier, with disbursement levels returning to normalcy while Vikas loan disbursement doubled in FY 2026 ~₹4,000 from ₹2,000 Cr in FY 2025. Overall IF disbursement in FY26 stood at ₹5,014 Cr reflecting 39.2% YOY growth. The Bank's portfolio size stood at ₹5,964 Cr during the reporting year, representing a growth of 17.2% compared to the previous financial year.The inclusive finance portfolio comprises Joint Liability Group (JLG) loans and Vikas Loans (VL) . As stated earlier, our strategic shift from JLG to VL has gained traction. The VL segment demonstrated strong traction during the year and accounted for 75% of the Inclusive Finance portfolio. The Bank continues to advance its strategic objective of transitioning from a micro-lender to a 'micro-banker' for low-income households. The portfolio is primarily concentrated in semi-urban households across Tier 1 to Tier 3 cities, supported by strong underwriting practices and analytics-driven customer selection. It is further strengthened by extensive coverage under the CGFMU credit guarantee framework, which accounts for over 98% of the portfolio. During the last Quarter of financial year, disbursements under the inclusive finance segment largely returned to the earlier run rate of approximately ₹500 crores per month. At the same time, slippages reduced significantly to around ₹74 crores from ₹116 crores in the previous quarter. Collection efficiency also continued to improve during the year, with the current book for the inclusive finance portfolio inching towards 99.7%. In addition, close to 98.0% of the inclusive finance portfolio remained covered under the CGFMU scheme, providing strong capital protection during periods of unforeseen industry stress. At the beginning of the reporting year, Gross Non-Performing Assets and Net Non-Performing Assets stood at ₹694 crore and ₹441 crore, respectively. As of March 31, 2026, Gross Non-Performing Assets stood at ₹759 crore, while Net Non-Performing Assets were ₹464 crore. Against the Gross Non-Performing Assets balance, an amount of ₹508 crore was receivable under the CGFMU scheme.

Gross Advances (₹ Cr)



Commercial Vehicle Loans

Gross Advances# (Cr)



Gross Advances Includes CV, Two-wheeler, Car loans

The commercial vehicle loan segment represents a key component of the Bank's asset portfolio, catering to financing needs across a range of vehicles, including trucks, buses, tippers and light commercial vehicles. In the reporting year the bank also introduced used car and construction equipment segment.

The Bank continues to offer a streamlined lending process with quick approvals and disbursements. The offering is supported by flexible tenures of up to 60 months, competitive interest rates and secure repayment mechanisms. Loan ticket sizes range from ₹1 lakh to ₹25 lakhs, enabling the Bank to cater to a diversified customer base.

The commercial vehicle finance portfolio increased from ₹1,336 crores in March 2025 to ₹1,819 crores in March 2026, reflecting a healthy year-on-year growth of 36.1%. During the year, collection efficiency and asset quality within the portfolio remained stable. The Bank continued to focus on calibrated expansion across secured retail asset segments, while selectively scaling its construction equipment financing business. During the reporting year, the Bank recorded absolute disbursements of ₹1,193 crores, reflecting a growth of 30.2% over the previous financial year. At the beginning of the reporting year, GNPA and NNPA stood at ₹2.3 crore and ₹1.9 crore respectively. As of March 31, 2026, GNPA stood at₹19.7 Cr, while NNPA was ₹12.1 Cr.

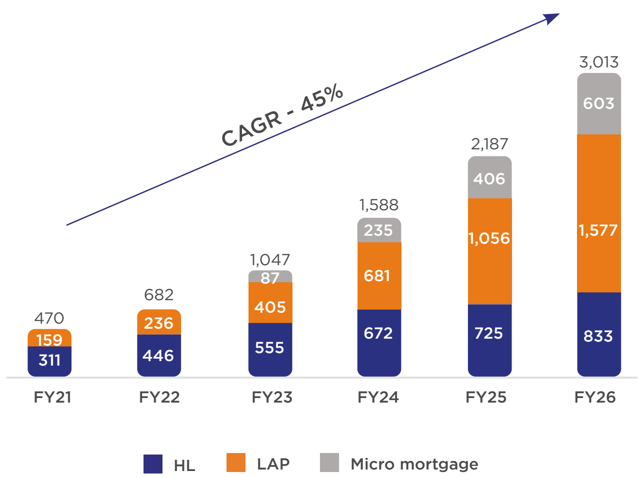
Mortgages and Micro Mortgages

The mortgages segment, comprising home loans, loans against property (LAP) and micro-mortgages, continues to play a significant role in the Bank's growth trajectory. The Micro mortgage recovered from stress majorly from Karnataka during the year under review. The Bank continued to focus on retail and secured MSME lending, with emphasis on strengthening its presence across existing markets. The strategy included transitioning Vikas Loans into Micro LAP, catering to semi-prime customers and increasing the share of Prime LAP across select micro-markets.

Operational efficiency and faster turnaround times continued to be supported through centralized underwriting for large-ticket loans and digital solutions aimed at reducing retail TAT. The Bank also focused on structured training initiatives covering products, customer service, compliance and digital capabilities. The continued emphasis on select micro-markets and cash flow-based underwriting supported stable and sustainable growth during the year.

The mortgage book, including the micro home loan portfolio, increased from ₹2,187 crores in March 2025 to ₹3,013 crores as of March 2026, registering year-on-year growth of 37.8% The strategy of focusing on cash flow-based underwriting continued to support steady and sustainable growth, while asset quality trends gradually stabilized. During the reporting year, the Bank recorded absolute disbursements of ₹1,273 Cr, reflecting a growth of 28.9% over the previous financial year. At the beginning of the reporting year, GNPA and NNPA stood at ₹11.6 crore and ₹5.8 crore , respectively. As of March 31, 2026, GNPA stood at ₹66.9 crore , while NNPA was ₹54.9 crore.

Gross Advances (Rs Cr)



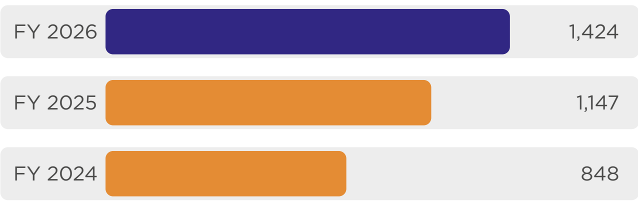
Business Correspondent

Suryoday Small Finance Bank utilizes the Business Correspondent (BC) model to expand outreach in underbanked geographies and deliver cost-efficient last-mile banking services. BC partners act as an extended arm of the Bank-handling customer acquisition, onboarding, servicing, and collections in line with internal policies and regulatory guidelines. The Bank deploys this channel across key products including JLG (microfinance) loans, individual loans, small business loans, and other secured lending products, as introduced over time. The BC model supports portfolio diversification, reduces branch dependency, and enhances customer access, with continued focus on strengthening governance, digital enablement, and service quality.

Financial Intermediary Group (FIG) Loans

The FIG portfolio comprises exposures to financial intermediaries, such as microfinance institutions and non-banking financial companies. This segment has emerged as a key contributor to the secured business loan portfolio, supporting diversification and growth. During the reporting year, the loan portfolio recorded a collection efficiency of 100% on a one-EMI adjusted basis, reflecting the strength of the Bank's credit underwriting and monitoring framework. In addition, under the FIG portfolio, Gross Advances stood at ₹1,424 crore. During the reporting year, the Bank recorded absolute disbursements of ₹1,240 crore, reflecting a growth of 21.0% over the previous financial year. As of March 31, 2026, GNPA stood at ₹ 0.7 Cr, while NNPA was ₹ 0.6 Cr. At the beginning of the reporting year, GNPA stood at ₹11.7 Cr. In FY25 there was one default case amounting to ₹11.7 Cr which was fully provided in the same otherwise the loan portfolio maintained an impressive collection efficiency of 100% on one EMI adjusted basis.

Gross Advances for FIG (₹Cr)



Deposit Franchise

The Bank remains focused on building a granular and stable retail deposit franchise. It intends to further strengthen its deposit base through its extensive branch network, innovative product offerings and enhanced digital banking capabilities designed to meet evolving customer requirements.

Our Overall Deposits stood ₹13,994 Cr in FY26 as compared to ₹10,580 in FY26, reflecting YOY growth of 32.3%. During FY 2026, digital deposits recorded a three-fold increase over FY 2025 from ₹560 Cr in FY25 to ₹1,672 Cr in FY26, and the Bank aims to maintain this growth trajectory through FY 2027 with a target of achieving a similar growth rate.

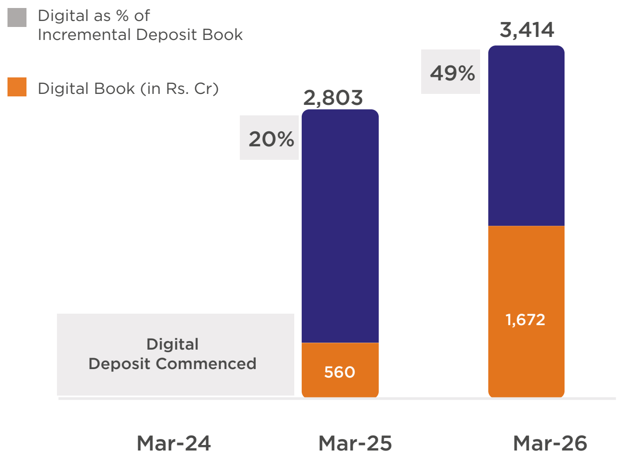
The Bank's digital offerings, continue to support the development of a fully integrated digital banking ecosystem. These products have enabled the creation of a pre-qualified customer base across digital channels, providing opportunities for deeper customer engagement and future cross-selling initiatives.

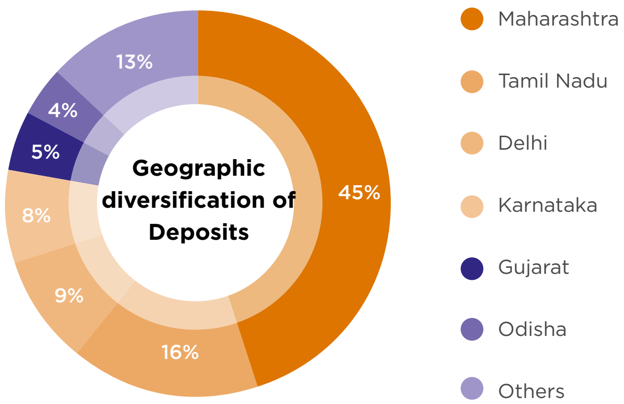
Digital deposits have emerged as a significant area of focus, with an average ticket size of approximately ₹1.25 lakh and at least two deposits on average per customer. The digital deposit channel has continued to be a meaningful contributor to deposit inflows, supported by significantly lower customer acquisition costs and a high quality scalable engine.

Deposit Overview

Period	Total Deposits	Retail TD	CASA	Bulk	% of Retail Deposits
March 2024	7,777	4562	1,566	1,650	78.8%
March 2025	10,580	6,373	2,212	1,995	81.1%
March 2026	13,994	8,877	3,162	1,955	86.0%

Lean channel, high growth
Digital deposits with higher retention





Digital Products

Credit Line on UPI (CLOU)

CLOU continued to strengthen its position within the banking industry during the reporting year, supported by sustained customer adoption. The customer base increased by 5.31 lakh, reflecting the growing acceptance of the Bank's integrated credit solution embedded within everyday digital payment ecosystems. The Bank's investments in digital capabilities and retail credit solutions have contributed to the growth of its digital franchise, while also supporting alignment with its broader phygital banking model.

The Bank's Credit Line on UPI offering also witnessed strong traction during the year. The product offers credit limits of up to ₹60,000, with an average sanctioned amount of approximately ₹7,000. Credit quality remained healthy, with nearly 90% of customers having a CIBIL score exceeding 725. The product continued to benefit from a low customer acquisition cost and recorded a compound monthly growth rate of around 63% over the last five months, reflecting its scalability and future growth potential.

5.3 Lakhs
Customers Sanctioned

₹ 362 Cr
Sanctioned

₹ 102 Cr
Utilized Limit

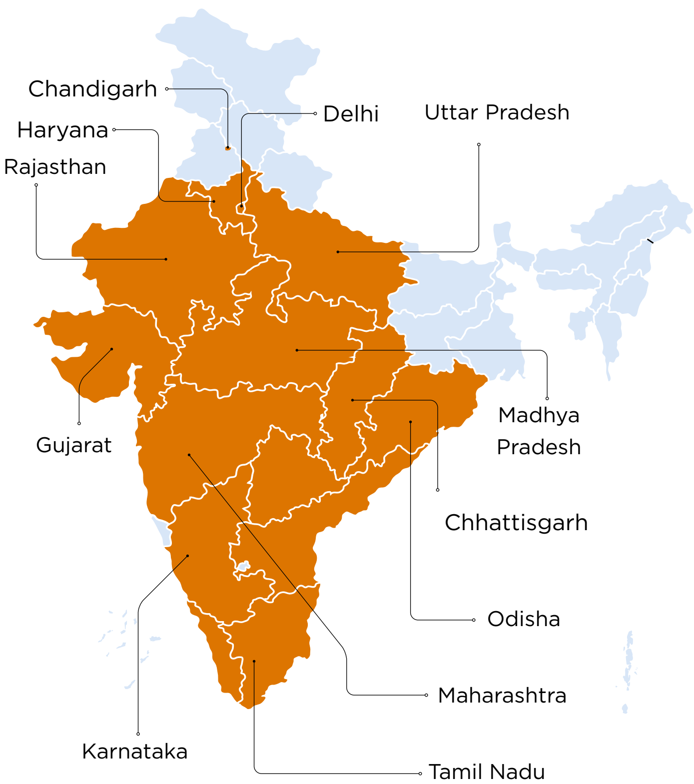
FD backed Secured Credit Card

Suryoday's secured credit card proposition is anchored in a differentiated co-brand partnership model that creates a virtuous cycle between card issuance and deposit mobilization. By partnering with leading brands across retail, lifestyle, and fintech ecosystems, the Bank attracts customers who are drawn in by co-brand benefits and subsequently placed in a fixed deposit-backed credit card structure. This model has proven particularly effective in converting first-time credit card users and underbanked segments into depositors — making the credit card not just a lending product, but a deposit acquisition engine.

The secured credit card portfolio continued to scale meaningfully, with the total card base reaching 37,723 cards as of March 2026. Approximately 27% of our FD customers have secured credit card.

Branch Network

As of March 31, 2026, Suryoday's branch network comprised more than 710 branches spread across India, with a strong presence in Maharashtra, Tamil Nadu, Karnataka, Rajasthan, Gujarat, and other regions. Of the total network, 197 branches were located in rural areas. Through its rural presence, the Bank continued to serve unbanked and underserved communities, supporting financial inclusion and improving access to banking services across diverse geographies. The rural branch network offers a range of banking solutions, including savings accounts and deposit products such as Fixed Deposits and Recurring Deposits, enabling the Bank to address the banking requirements of customers in these regions. The Bank also operates Composite Branch Outlets, which combine branch banking operations with retail business activities, enhancing service delivery and customer engagement. During the reporting year, the Bank operated 383 asset-focused branches and 132 liability-focused branches across the country. Expansion of the branch network continued to be guided by a prudent and cost-conscious approach, with emphasis on maintaining realistic and economical branch establishment costs.



Geographical Mix of Branches

State	Asset Focused	Liability Focused	Rural	Total
Maharashtra	74	53	58	185
Tamil Nadu	60	26	32	118
Karnataka	73	16	23	112
Odisha	29	10	65	104
Uttar Pradesh	34	3	11	48
Gujarat	36	5	0	41
Rajasthan	37	1	1	39
Madhya Pradesh	25	5	5	35
Others	15	18	2	35
Grand Total	**383**	**137**	**197**	**717**

Note: Some of the rural centre branches are full-fledged asset branches

Branch Distribution

Particulars	FY 2026	FY 2025
Asset focused outlets	383	387
Liability focused outlets*	137	126
Rural Centers (URCs)	197	197
Total	**717**	**710**

- FY2026 Composite branches: 50 branches

Key Highlights for FY 2025-26

FY 2026 was marked by disciplined execution and gradual stabilisation for both Suryoday and the broader microfinance industry, with a clear focus on portfolio quality, tighter underwriting and prudent risk management. Encouraging trends emerged during the year in collections, borrower behaviour and overall business momentum, reflecting improving operating stability. Strategically, the transition from the traditional JLG model towards individual lending continued to gain traction, supported by strong risk mitigation through the CGFMU framework during a period of industry stress. On the asset side, the Bank maintained healthy momentum across secured retail segments such as Commercial Vehicles and Mortgages, with a continued emphasis on calibrated, cashflow-based underwriting.

On the liabilities front, the Bank continued to deepen its deposit franchise with a growing share of granular retail deposits. Digital initiatives remained a key growth driver, with digitally sourced deposits contributing meaningfully to scalability and cost-efficient customer acquisition. The emergence of Credit Line on UPI (CLOU) as a high-quality customer acquisition channel, along with secured credit cards and digital MSME lending, is enabling the Bank to build a robust, integrated digital ecosystem with strong cross-sell opportunities.

Overall, a well-diversified portfolio, strong risk safeguards, expanding secured asset mix, and a deepening digital footprint position the Bank on a resilient footing, with strategic initiatives now beginning to translate into sustainable and scalable growth outcomes for the future.

Asset and Deposit Business

- Gross advances stood at ₹ 13,261 crores in FY 2026, compared to ₹ 10,251 crores in the previous financial year, reflecting a year-on-year change of 29.4%.
- The Vikas Loan (individual loan portfolio) was ₹ 4,444 crores for the year.
- Total deposits were ₹ 13,994 crores in FY 2026, registering a year-on-year growth of 32.3%
- Retail deposits, including CASA, accounted for 86.0% of the overall deposit base.
- The CASA ratio improved from 20.9% in FY 2024–25 to 22.6% in FY 2026.

Business Performance

- Net Interest Income (NII) stood at ₹ 1,099 crores in FY 2026
- Total disbursements during FY 2026 were ₹ 10,466 crores, as against ₹ 6,989 crores in the previous year.
- Vikas Loan disbursements were ₹ 3,954 crores in FY 2026, compared to ₹ 2,000 crores in FY 2025.
- The Bank's network comprised 717 branches, including 137 Liability-focused branches and 383 asset-focused branches during the reporting year.

Balance Sheet

- Total assets stood at ₹ 19,884.0 crores in FY 2026, compared to ₹ 15,614.4 crores in FY 2025.
- Net advances (excluding IBPC and provisions) were ₹ 12,878.8 crores in FY 2026, as against ₹ 9,974.0 crores in FY 2025.
- Total deposits during the year were ₹ 13,994.0 crores, compared to ₹ 10,579.0 crores in the previous financial year.
- As at 31st March 2026, borrowings stood at ₹ 3,122.4 crores, reflecting a change of 15.2% compared to FY 2025.

Financial Ratios

- Yield stood at 16.8% in FY 2026.
- Cost of funds was 7.7% in FY 2026.
- Net Interest Margin (NIM) stood at 7.3% in FY 2026
- Cost-to-income ratio (excluding CGFMU expenses) was 73.7%
- Return on Assets (RoA) stood at 0.9% in FY 2026, compared to 0.9% in FY 2025.
- Return on Equity (RoE) was 7.6% in FY 2026, compared to 6.0% in FY 2025.

Asset Quality

- As at 31st March 2026, the Gross NPA ratio stood at 6.5%, compared to 7.2% in FY 2025.
- Net NPA ratio stood at 4.2% in FY 2026.
- Provision Coverage Ratio (PCR), excluding technical write-offs, stood at 37.3% in FY 2026

Financial Review

Summary of Profit and Loss Statement

Particulars	FY 2025-26	FY 2024-25	YoY
Interest Earned	2,160.3	1,953.7	10.6%
Interest Expensed	1,061.6	847.6	25.2%
Net Interest Income	**1,098.7**	**1,106.1**	**(0.7%)**
Other Income	359.7	217.3	65.6%
Net Total Income	**1,458.4**	**1,323.4**	**10.2%**
Operating Expenses	**997.9**	**861.6**	**15.8%**
Employee Expense	512.5	444.2	15.4%
Other Expense	485.4	417.3	16.3%
Operating Profit	**460.5**	**461.8**	**(0.3%)**
CGMFU Expense	76.4	72.6	5.2%
Operating Profit After CGMFU	**384.1**	**389.2**	**(1.3%)**
Provision and Contingencies	184.5	245.4	(24.8%)
Profit Before Tax	**199.6**	**143.8**	**38.8%**
Tax	47.6	28.9	64.9%
Profit After Tax	**152.0**	**115.0**	**32.2%**

Details of each line items

Å **Income**

In FY 2026, the net income of the Bank was ₹1,458.4 crores increasing from ₹1,323.4 crores, highlighting a year-on-year growth of 10.2%. This growth was primarily driven by a 66% rise in other income & 11% rise in Interest earned, reflecting continued expansion in lending activities and higher fee-based income from charges & commissions.

Å **Interest Earned**

The Bank earned interest income of ₹2,160.3 crores during FY2026, compared to ₹1,953.7 crores in the previous financial year. This reflected a year-on-year growth of 10.6%. The increase was mainly attributable to growth in the loan portfolio and improved interest-earning assets during the year.

Å **Other Income**

The other income of the Bank was ₹359.7 crores during FY2026, compared to ₹217.3 crores in the previous financial year, reflecting a year-on-year growth of 65.6%. The increase was primarily driven by higher fee-based income, insurance commission, customer charges & treasury gains, reflecting improved diversification of earnings.

Å **Interest Expended**

During the reporting year, the Bank's interest earned increased to ₹1,061.6 crores, registering a year-on-year growth of 25.2%. The rise was mainly due to higher deposit volumes and increased borrowing costs during the year.

Å **Operating Expenses**

The Operating expenses in FY 2026 was ₹997.9 crores, whereas, in FY 2025 it was ₹ 861.6 crores, highlighting a growth of 15.8%. The increase in cost is driven by technology infrastructure, partner payout, transaction charges, depreciation & cost associated with business expansion initiatives.

Å **Provisions and Contingencies**

In FY 2026, the provision and contingencies of the Bank was ₹184.5 crores whereas, in the previous financial year it was ₹245.4 crores. The reduction in provisioning requirements was primarily driven by improved asset quality, lower credit costs, effective risk management practices during the year.

Å **Net Profit**

The net profit in FY 2026 was ₹ 152 crores, whereas, in FY 2025 it was ₹ 115 crores, highlighting a growth of 32.2%. The growth was driven by higher operating income, improved business performance, reflecting the Bank's continued focus on profitability and sustainable growth

Summary of Balance Sheet

(Figures are in Crores)

Particulars	FY 2025-26	FY 2024-25	YoY
Capital and Liabilities			
Shareholder's Funds	2078.3	1,927.1	7.8%
Deposits	13,994.0	10,579.6	32.3%
Borrowings	3,122.4	2,710.3	15.2%
Other Liabilities and Provisions	689.2	397.4	73.4%
Total	**19,884.0**	**15,614.4**	**27.3%**
Assets			
Fixed Assets	298.0	290.1	2.7%
Cash and Bank	2,098.8	1,709.5	22.8%
Investments	3,692.6	3,137.5	17.7%
Advances	12,878.8	9,974.3	29.1%
Other Assets	915.8	503.0	82.1%
Total	**19,884.0**	**15,614.4**	**27.3%**

As of March 31 (₹ in Crore)	Fiscal Year 2026	Fiscal Year 2025
Bills purchased and discounted	407	259
Cash credit, overdraft, and loan payable	396	368
Term Loan	12,075	9,347
Total	**12,878**	**9,974**

Key Financial Ratios

Particulars	FY 2025-26	FY 2024-25	YoY
Yield on Gross Loan Portfolio	16.8%	18.8%	(198 bps)
Cost of Deposits	7.7%	8.0%	(-29 bps)
Cost of Funds	7.7%	7.8%	(7 bps)
NIM	7.3%	9.0%	(162 bps)
CASA Ratio	22.6%	20.9%	169 bps
GNPA Ratio	6.5%	7.2%	(-64 bps)
NNPA Ratio	4.2%	4.6%	(-39 bps)
Provision Coverage Ratio (%)	37.3%	37.7%	(-43 bps)

Human Resources

Suryoday Small Finance Bank believes its people are its core strength and remains committed to fostering a growth-oriented, inclusive and high-performance culture. Guided by the philosophy of building resilient and customer-centric 'Suryoday Smile' officers, the Bank continues to strengthen its workforce. As of March 31, 2026, the Bank had a total employee base of 8,574. During the year, the people strategy remained anchored on three priorities—capability building, accountability and enabling growth—while evolving from scale-led hiring to a more capability-driven workforce model aligned with its transition into a diversified and digital-first bank.

Talent Valuation

The Bank adopts a structured approach towards talent evaluation through competency mapping, performance analytics and skills assessment to identify high-potential employees and align workforce capabilities with business priorities. The 'One Team, One Dream' initiative continues to foster a collaborative and high-performance culture while strengthening long-term customer relationship management. Hiring remained focused across MSME, LAP, Housing Finance and Commercial Vehicle businesses, alongside building a balanced workforce mix through local hiring and institutional expertise. Diversity and inclusion remain key priorities, supporting responsible growth and improving gender representation across the organisation.

Talent Engagement

The Bank continues to build a vibrant and inclusive workplace through structured engagement initiatives. Employee listening mechanisms such as engagement surveys, feedback forums and stay interviews contributed to an E-Sat score of 87% during FY26. Targeted retention strategies supported the retention of critical talent pools, while enhanced learning and career progression opportunities strengthened the employee value proposition. Recognition programs continued to celebrate high performance and customer-centric behaviour, reinforcing engagement, motivation and organisational alignment.

Talent Development

The Bank remains focused on continuous learning and capability building to support its evolving business mix. During FY26, training efforts were centred around key areas such as credit risk, compliance, customer service, digital banking and leadership development. Capability-building initiatives included structured credit certification programs across MSME, mortgage and CV segments, along with standardised underwriting frameworks and risk assessment practices. Continuous learning was supported through case-based training, portfolio reviews and early warning signal identification programs.

Leadership development remained a key focus, with targeted programs for Branch Managers and Regional Leaders aimed at strengthening decision-making, risk management and team leadership capabilities. These initiatives combined classroom training, on-the-job exposure and mentoring support, with increasing emphasis on data-driven decision-making.

The Bank further strengthened its learning ecosystem through segment-specific academies, frontline effectiveness programs and digital adoption initiatives. Employees were trained across business segments and equipped with digital tools and platforms to enhance productivity and customer experience.

The Universal Banker Model continued to support multi-skilling across assets, liabilities and service functions, enabling role flexibility, cross-functional exposure and improved operational efficiency. This approach has strengthened employee versatility while enhancing customer experience and supporting long-term career progression.

Information Technology

FY2025–26 was a pivotal year in advancing the Bank's digital-first strategy, with IT playing a central role in enabling business growth, strengthening resilience, and enhancing customer experience. Key focus areas included digital transformation, data enablement, cybersecurity, and infrastructure scalability.

Strategic Progress

The Bank continued to execute its technology roadmap aligned to business priorities, delivering:

- Significant improvements in digital onboarding (70–95%) and TAT reduction (up to 50%)
- Enhanced digital engagement and cross-sell capabilities
- Expansion of partner-led ecosystem and embedded finance
- Strengthened IT governance and risk management frameworks

Digital & Business Transformation

- Digital initiatives across CASA and lending are 60–70% complete, driving scale and efficiency
- Launch of Credit Line on UPI, secured credit cards, and digital lending journeys
- Improved customer lifecycle management, resulting in higher conversion and reduced drop-offs
- AI-led initiatives (Agentic AI) initiated for automation across operations and service functions

Data & Analytics (DLH Program)

- Data Lakehouse implementation : Phase 1 completed, forming foundation for a data-driven organization
- Migration of 400+ reports with ~80% coverage achieved
- Significant reduction in ad hoc reporting through self-service BI platforms
- Advanced capabilities enabled:
- Real-time MIS and regulatory reporting
- AI/ML readiness and predictive analytics

Technology Infrastructure & Resilience

- Strengthened DC–DR infrastructure with capacity expansion and 3-year planning models including rollout of KRO tool
- DR capability enhanced with:
    - RTO of 1–4 hours and RPO of 15–30 minutes
    - 100% backup success rate
- Continuous monitoring and observability improving system availability and uptime

Cybersecurity & Risk Management

- Robust cybersecurity framework with 24×7 SOC operations and 200+ threat intelligence feeds
- Deployment of advanced controls including Zero Trust, XDR/EDR, and API security
- Key improvements achieved:
    - Patch compliance improved to ~97%
    - Strong endpoint and network security coverage
- Focus on emerging risks including ransomware, deepfake fraud, and AI-driven threats

Audit, Compliance & Governance

- Achieved ~98% RBI CSITE compliance (305/310 observations closed)
- Strengthened policies covering Information Security, Privacy, and Cybersecurity
- DPDP readiness and regulatory compliance initiatives underway

New LOS (Loan Origination System) & Adoption

- The Bank continued its transformation in digital lending through the implementation of a new modular Loan Origination System (LOS). The platform enables end-to-end digitization of lending journeys, automated credit decisioning, and improved turnaround times across products. Adoption has progressed steadily with integration across partner ecosystems and business channels, supporting scalable growth in digital lending and customer onboarding efficiency aligned with the Bank's digital strategy.

New DMS (Document Management System)

The Bank strengthened its digital infrastructure through the implementation of a centralized Document Management System (DMS). The system enables secure storage, retrieval, and lifecycle management of documents, thereby minimizing manual dependency and improving operational efficiency. The DMS also supports audit readiness, regulatory compliance, and seamless integration with core platforms such as LOS and compliance systems, enhancing transparency and traceability across processes.

New Compliance System

To strengthen governance and regulatory adherence, the Bank has implemented a robust compliance monitoring system aligned with RBI requirements and internal audit frameworks. The system enables:

- Automated tracking of regulatory requirements and audit observations
- Improved visibility on compliance status and closure timelines
- Strengthened governance through integration with IT risk and audit processes

This initiative has contributed to significant progress in regulatory compliance, including high closure rates for audit observations and structured policy management frameworks.

In-House Module for Income Recognition & NPA Tagging

The Bank has undertaken development of an in-house system for income recognition and NPA classification (IRAC compliance) to address limitations in existing vendor solutions. This module enables:

- Automated and rule-based NPA tagging
- Improved accuracy and audit traceability
- Reduced dependency on manual interventions and external systems

This initiative strengthens financial reporting integrity and ensures alignment with regulatory norms and audit expectations, while providing greater operational control.

Initiatives under CISO – Information Security & Cyber Risk Management

Information Security Risk Management remains a critical focus area for the Bank, given the increasing cyber threat landscape and regulatory expectations.

The Bank has established a comprehensive Information Security Risk Management framework to ensure confidentiality, integrity, and availability of information assets. The framework is supported by strong governance, continuous risk assessments, and proactive monitoring.

Key Initiatives Undertaken:

- 24×7 Cyber Security Operations Centre (C-SOC) for real-time monitoring and incident response
- Integration of 200+ threat intelligence feeds for proactive threat detection
- Deployment of advanced security controls including:
  - Zero Trust architecture
  - EDR/XDR, DLP, WAF, and DDOS protection mechanisms
- Continuous VAPT, Red Teaming, phishing simulations, and vulnerability management
- Strengthening of External Attack Surface Monitoring (EASM) capabilities
- Cyber resilience initiatives including:
  - Ransomware protection frameworks and backup strategies
  - Disaster Recovery drills and recovery optimization
- Enhanced customer and employee awareness programs on evolving threats such as phishing, vishing, and AI-driven fraud

Operational Excellence

- Increased automation leading to higher efficiency and reduced manual intervention

Future Outlook

The Bank will continue to invest in:

- AI-led automation and advanced analytics

- Expansion of digital lending and ecosystem partnerships
- Further strengthening cybersecurity and resilience
- Driving data-led decision making and operational efficiency

Corporate Social Responsibility

Suryoday Small Finance Bank continued to focus on inclusive development through targeted community initiatives during the year. Its CSR programmes remained focused on addressing critical social needs while supporting long-term community well-being. In FY2026, The Rotary Club of Madras Charitable Trust, in collaboration with the Greater Chennai Corporation and with continued CSR support from Suryoday Small Finance Bank, launched the Mobile Dental Clinic Project in Chennai. The initiative aims to improve access to dental healthcare for school children and urban communities, while also promoting oral health awareness, early detection of dental issues and timely treatment support.

Key CSR initiatives undertaken in FY 2026

a. Ujjwal

School Children: Focused on financial and banking literacy for youth aged 14–20 years to encourage informed financial decision-making and future planning across Maharashtra, Tamil Nadu and Odisha.

b. Spandan

Undertook preventive healthcare programs for women and children, linking financial well-being with physical wellness across Maharashtra, Tamil Nadu and Odisha

c. Swayamshree

Promoted financial education, digital literacy and access to social security benefits among rural communities across Maharashtra, Tamil Nadu and Odisha

d. Vidya

Provided counselling and other support services for students and schools across Maharashtra, Tamil Nadu and Odisha

e. Udyojika

Suppported women from low-income families through initiatives aimed at creating supplementary livelihood opportunities across Navi Mumbai

f. Adhira

Domestic Workers: Focused on strengthening financial capability of domestic workers through digital literacy, savings awareness and formal financial access initiatives in Maharashtra

Suryoday Foundation Programs	Q1	Q2	Q3	Q4	Beneficiaries
Building Financial Capability of Domestic Workers and other informal workers, "Adhira"	4,654	4,556	4,951	11,466	25,627
Building Financial Capability for Students, "Ujjwal"	477	8,784	12,560	2,531	24,352
Building Financial Capability for Parents, "Swayamshree" and community members	4,116	4,085	6,797	4,828	19,826
Health Interventions with focus on women, "Spandan"	578	1,479	2,120	6,032	10,209
Empowering Young Minds, Shaping Brighter Futures "Vidya"	41	314	540	598	1,493
Supplementary Livelihoods "Udyojika"	81	42	20		143
Total	**9,947**	**19,260**	**26,988**	**25,455**	**81,650**

Credit Rating

The rating agencies reaffirmed the long-term and short term credit ratings of the Bank. The long-term rating assigned to its subordinated debt was A (Stable) while short-term rating was A1+ (A One Plus).

Risk Management

Credit Risk Management

The Credit Risk function has its task cut out in determining and monitoring various parameters to identify and minimise exposures arising from concentration, sectors, regions among others. A key aspect in credit risk assessment is monitoring of credit costs in the key products which provides indicators to review & revise any of the credit assessment methods. The function monitors build-up of stresses at a disaggregated level to determine underlying causes/characteristics of the stress and enable the Bank to take proactive measures to contain the impact of stress and review business plans. This also helps the Bank to effectively price its loan products.

Market & Liquidity Risk Management

Liquidity forms the backbone of any banking operation and the Bank leans towards maintaining reasonable liquidity that effectively provides a reasonable cushion and return on the capital. The sensitivity of the portfolio to change in the interest rates in the market and liquidity buffers are actively monitored. The management actively reviews the applicability and impact of revisions in guidelines and suggests necessary corrective actions to the ALCO (Asset-Liability Management Committee) and Investment Committee. The ALCO actively manages rates of interest offered to depositors, encouraging retail depositors and senior citizens to grow their relationship with the Bank.

Operational Risk Management

Operational Risk Management adopts a proactive approach to identifying and mitigating risks through a suite of tools including the Risk and Control Matrix (RCM), Risk and Control Self-Assessment (RCSA), Incident Management Tracking, Business Continuity Risk Assessment, Root Cause Analysis (RCA), and exception handling mechanisms. These tools are instrumental in uncovering gaps within Standard Operating Procedures (SOPs) and in providing actionable recommendations to the first line of defence for process enhancements. The team also manages the repository of the board approved policies and product and process notes of the Bank. It also ensures their timely review and renewal. The new policies and product and process notes are duly reviewed by the operational risk management team for their comprehensiveness and consistency with internal and regulatory guidelines.

To manage risks associated with third-party engagements, the Bank has put in place a robust Outsourcing Policy and Standard Operating Process (SOP). All material vendors undergo a comprehensive pre-onboarding risk assessment, conducted in collaboration with the Information Security Unit. Furthermore, an annual review is mandated for all material vendors to ensure continued compliance and risk mitigation. In the realm of Business Continuity, our Business Continuity Management Policy (BCMP) ensures that contingency plans are well-established to restore critical business operations in the event of a disruption. Our Disaster Recovery (DR) drills are thorough and scenario-based, conducted for each IT application to validate resilience and ensure uninterrupted delivery of essential products and services to our customers. The Bank has put in place various tools and techniques for **Fraud Risk Management** which include comprehensive strategy for fraud detection and prevention, internal controls and awareness against frauds. The key pillars of fraud risk management in the Bank include fraud risk governance, fraud risk assessment, fraud detection/ prevention and fraud monitoring/reporting.

Information Security and Cyber Risk Management

Information Security Risk Management has assumed significant importance in the evolving digital landscape. As custodians of sensitive customer and financial data, banks are required to maintain robust information security frameworks to ensure confidentiality, integrity, and availability of information assets.

The Bank has established a comprehensive Information Security Risk Management framework to systematically identify, assess, monitor, and mitigate information security risks. The framework is continuously strengthened through governance oversight, periodic risk assessments, and ongoing monitoring to enhance the Bank's overall security posture.

To safeguard its information assets, the Bank has implemented a **multi-layered defense architecture,** integrating people, processes, and technology controls. A dedicated **Cyber Security Operations Centre (CSOC)** operates on a 24x7 basis, monitoring security alerts and anomalies across the Bank's networks, applications, databases, and endpoints, ensuring timely detection and response to potential threats.

The Bank's cybersecurity strategy is aligned with industry best practices and focuses on:

- Adherence to global governance standards and regulatory requirements
- Implementation of advanced cybersecurity frameworks and controls
- Proactive threat detection and incident response mechanisms
- Continuous strengthening of data protection and privacy measures

The Bank has deployed advanced security technologies, including **Security Orchestration, Automation, and Response (SOAR)** platforms, enabling automated and efficient incident response through integration with various security tools. In addition, **Attack Surface Management (ASM)** solutions are utilized to continuously monitor and manage the Bank's external digital footprint, identifying vulnerabilities and potential exposure in real time.

This proactive and risk-based approach enables the Bank to:

- Prioritize and mitigate emerging cyber risks effectively
- Enhance incident response and recovery capabilities
- Maintain comprehensive visibility across its digital ecosystem
- Strengthen resilience against evolving threat landscapes

The Bank's Information Security Program is aligned with the **Reserve Bank of India (RBI)** guidelines on cybersecurity and information security. The Bank is also compliant with globally recognized standards, including **ISO 27001** and **PCI-DSS**, reinforcing its commitment to strong security and data protection practices.

Further, the Bank places significant emphasis on **cybersecurity awareness and training.** Regular training programs are conducted for employees, partners, and vendors to enhance their ability to identify and respond to security threats. Employees are mandated to complete information security training modules and periodic assessments via internal learning platforms. Additionally, controlled phishing simulation exercises are carried out to evaluate and improve employee awareness and preparedness against social engineering attacks.

The Internal Controls

The Bank has in place three lines of defence for ensuring adherence to Internal Controls:

1) Business – Businesses functions as per the laid down policies and processes approved at the appropriate level of authority.

2) Risk and Compliance – Monitors compliance with the laid down policies and processes as per the regulatory framework and the Bank's risk appetite.

3) Internal Audit – Overviews quality and effectiveness of the internal controls and their adherence by the first line of defence, their monitoring by the second line of defence. The internal audit process is based on the Risk based Audit approach prescribed by the regulator and duly approved by the Audit Committee of the Board. All the internal control functions work independently as per regulatory guidelines and report to the Audit Committee of the Board or the Risk Management Committee of the Board as applicable.

Cautionary Statement

This report, along with other written and spoken comments the Bank publishes on a regular basis, includes forward looking statements that outline expected outcomes based on management's intentions and presumptions. "Anticipate," "estimate," "expects," "will," "projects," "intends," "plans," "believes," and similar terms have been used by the Bank whenever practicable to identify such statements in any discussion of future performance. Despite our efforts to make prudent assumptions, the Bank cannot guarantee that these forward-looking statements will come to pass. Results can be achieved, but there are dangers, uncertainties and even false assumptions involved. Readers should remember that if known or unknown risks or uncertainties come to pass, or if underlying assumptions turn out to be incorrect, actual outcomes may differ significantly from those that were predicted, estimated, or anticipated. Whether due to new information, upcoming events, or other circumstances, the Bank is under no duty to publicly update any forward-looking statements.

Corporate Governance Report

In accordance with the applicable provisions of the Companies Act, 2013 (the **"Act"**) and the Regulation 34(3) and Para (C) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**), the Report on Corporate Governance for the Financial Year (**"FY"**) 2025-26, is presented below, and forms part of the Annual Report:

1. BANK'S PHILOSOPHY ON CODE OF GOVERNANCE

Suryoday Small Finance Bank Limited (the **"Bank"**) believes that good governance is the foundation to build public trust and confidence of all the stakeholders. The Bank has adopted and adheres to the best practices on Corporate Governance in line with the directions/ guidelines of the Reserve Bank of India (**"RBI"**) and other regulators. The Bank is also continuously benchmarking itself against each such practice which enables it to be accountable and transparent and also fulfil the Bank's fiduciary roles and responsibilities and enhance long term and sustained value for all its stakeholders. The Bank believes that best board governance practices, transparent disclosures, utmost integrity and responsibility and shareholder empowerment are the backbone for creating value for the shareholders and other stakeholders. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability, etc. serve as the means for implementing the philosophy of corporate governance in letter and spirit.

2. BANK'S GOVERNANCE STRUCTURE

The Governance Structure of the Bank is spearheaded by the Board of Directors (the **"Board"**), appointed by the shareholders of the Bank in accordance with the Banking Regulation Act, 1949 (the **"BR Act"**) and other applicable provisions of the Act and SEBI Listing Regulations. The Board acts as trustee for various stakeholders of the Bank, including the regulators, shareholders, customers, and employees of the Bank. The Board is responsible for Bank's strategic directions and is well supported by Board Committees, which act as per their respective charter documents.

The Board directs, supervises, and controls the management of the Bank and is responsible for the sustainable business growth, including formulating the overall strategy and ensuring implementation thereof. The Managing Director & Chief Executive Officer (**"Managing Director & CEO"**) is responsible for the overall affairs of the Bank and implementation of the strategy approved by the Board under the superintendence, guidance, and control of the Board. The Executive Director, along with the Senior Management Team, supports the Managing Director & CEO in managing the Bank's day-to-day functions and ensuring effective oversight across business and support areas. The Board has constituted various Committees to deal with specific matters as per applicable laws in this regard and the defined Terms of Reference of each of the Committees duly approved by the Board.

The Board has adopted a Code of Conduct for the Directors and Senior Management Personnel (**"SMPs"**), and all the Directors and SMPs affirm their adherence to the Code on an annual basis. Further, the Independent Directors also submit their annual declarations confirming that they fulfil the criteria of independence.

3. BOARD OF DIRECTORS

a) Composition of Board:

The composition of the Board is governed by the relevant provisions of the Act and the rules made thereunder, the SEBI Listing Regulations, the BR Act, the guidelines/ regulations/circulars issued by the RBI, as amended, from time-to-time and all other applicable laws and the Articles of Association of the Bank.

As of March 31, 2026, and as on the date of this report, the Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. As on March 31, 2026, the Board comprised of Ten (10) Directors, consisting of Seven (7) Independent Directors including One (1) Woman Independent Director, One (1) Managing Director & CEO, One (1) Whole-time Director (**"Executive Director"**) and One (1) Non-Executive Non-Independent (Investor) Director (**"Investor Director"**), overall representing 70% Independent Directors and 30% Non-Independent Directors.

All the Board members are senior and experienced persons having the required knowledge, experience, relevant skill sets, track record and integrity, and all of them effectively meet the "Fit and Proper Criteria" laid down by the RBI. Further, the changes in the composition of the Board of Directors that took place during FY 2025-26, were carried out in compliance of the provisions of the Act, BR Act, RBI Circulars and SEBI Listing Regulations, and details of appointment/ re-appointment of Directors during FY 2025-26, are covered in the Board's Report.

None of the Directors is related to each other. All the Independent Directors have submitted the requisite declarations stating that they meet the criteria of independence prescribed under Section 149(6) of the Act, Regulation 16(1)(b) of SEBI Listing Regulations and other applicable statutory provisions which have been taken on record by the Board. In the opinion of the Board, all Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

Further, in terms of the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Bank are enrolled in the online databank of Independent Directors maintained by the Government.

In case of appointment of new Director(s), the concerned Director(s) is issued a Letter of Appointment setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction cum familiarisation program. The induction for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the branches of the Bank, etc. The terms of appointment of Independent Directors are uploaded in the website of the Bank at: https://suryoday.bank.in/assets/pdf/policies/Independent-Directors-T&C.pdf

Composition of the Board of Directors as on March 31, 2026:

Sr. No.	Category	Name and DIN of the Director
1)	Independent Director(s)	(i) Mr. Krishna Prasad Nair, (DIN: 02611496) *[Part-time Chairman]* (ii) Mr. John Arunkumar Diaz, (DIN: 00493304) (iii) Mrs. Swati Rajendra Datye, (DIN: 06751552) (iv) Mr. Deepak Kumar Sharma, (DIN: 10575402) (v) Mr. Vivek Anant Karve, (DIN: 06840707) (vi) Mr. Sunil Satyapal Gulati, (DIN: 00016990)* (vii) Mr. Alok Sethi, (DIN: 00277481)**
2)	Non-Executive Non-Independent (Investor) Director	(i) Mr. Ranjit Jayant Shah, (DIN: 00088405)
3)	Executive Director(s)	(i) Mr. Baskar Babu Ramachandran, (DIN: 02303132) *[Managing Director & CEO]* (ii) Mr. Hemant Premchand Shah (DIN: 10548728) *[Whole-time Director (Executive Director)]*

* Mr. Sunil Satyapal Gulati (DIN: 00016990), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years w.e.f. March 12, 2026 to March 11, 2031 (both days inclusive), vide Special Resolution passed through Postal Ballot on June 08, 2026.

** Mr. Alok Sethi (DIN: 00277481), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years w.e.f. March 12, 2026 to March 11, 2031 (both days inclusive), vide Special Resolution passed through Postal Ballot on June 08, 2026.

b) Separation of office of Chairperson and the Managing Director & CEO

In terms of the provisions of the BR Act, your Bank has separate offices for the Chairperson and the Managing Director & CEO. The Bank has a Non-Executive (Independent) Part-time Chairperson and a separate Managing Director & CEO of the Bank. The appointment of both have been approved by RBI pursuant to the provisions of the BR Act.

The Chairperson provides overall directions and guidance to the Board whereas the Managing Director & CEO of the Bank is responsible for the overall management of the Bank. The operational and functional heads assist the Managing Director & CEO in the operation, execution and functioning of the Bank.

c) Brief Profile of the Board of Directors:

Mr. Krishna Prasad Nair [DIN: 02611496]

(Part-time Chairman)

Mr. Krishna Prasad Nair is an Independent Director of the Bank. He was appointed as an Independent Director w.e.f. July 22, 2021, for a period of Five (5) years to hold office upto July 21, 2026; and thereafter, Mr. Nair was re-appointed as an Independent Director for a second term of Three (3) consecutive years from July 22, 2026 to July 21, 2029, pursuant to approval granted by the Shareholders through Postal Ballot process on February 28, 2026, in accordance with the provisions of the Act, SEBI Listing Regulations and the BR Act and other relevant circulars issued by RBI in this regard.

Mr. Nair has been appointed as a Non-Executive Part-time Chairman of the Bank w.e.f. November 01, 2023 to July 21, 2026 in accordance with the approval granted by the RBI vide its Letter No. DoR.GOV.No.S4404/29.44.006/2023-24 dated November 01, 2023.

Thereafter, based on the recommendation made by the Nomination and Remuneration Committee ("NRC"), the Board of Directors, subject to approval of RBI, approved the re-appointment of Mr. Krishna Prasad Nair as Part-time Chairman of the Bank for the second term of Three years commencing from July 22, 2026 to July 21, 2029.

Further, the RBI has vide Letter No. DoR.GOV. No.S1240/29.44.006/2025-26 dated May 12, 2026, has granted its approval for the re-appointment of Mr. Krishna Prasad Nair as Part-time Chairman of the Bank for a further period of Three (3) years with effect from July 22, 2026 upto July 21, 2029.

Mr. Nair holds a Bachelor's Degree in Commerce from Madras University and MBA from Cochin University of Science & Technology. He is a career banker and a veteran in the financial services sector with over Four (4) decades of experience, including 38 years of experience with Indian Overseas Bank (6 years) and IDBI Bank (32 years). He has attended various trainings with IIM-A, Centre for Advanced Financial Research & Learning (CAFRAL), RBI and Kellogg School of Business, USA. He served as Deputy Managing Director in IDBI Bank from September 2016 to May 2019 during which he handled Retail Banking, Corporate Banking, NPA Management, HR, IT, Administration & Facilities Management and was Chair and a Member of Credit and ALCO Committees.

Mr. Nair is not a Director in any other company.

Mr. Nair does not hold any shares in the Bank as on March 31, 2026.

Mr. John Arunkumar Diaz [DIN: 00493304]

Mr. John Arunkumar Diaz is an Independent Director of the Bank w.e.f. December 16, 2019, for a period of Five (5) years to hold office upto December 15, 2024. In accordance with the provisions of the Act, SEBI Listing Regulations and the BR Act and other relevant circulars issued by RBI in this regard, Mr. Diaz was re-appointed as an Independent Director at the 16th Annual General Meeting (**"AGM"**) of the Bank held on September 12, 2024 for a second term effective from December 16, 2024, upto August 08, 2026 (i.e. upto attaining the age of 75 years).

He holds a Bachelor's Degree in Mathematics from University of Madras and a Post-Graduate Diploma in Business Management from Xavier Labour Relations Institute, Jamshedpur. He has over Five (5) decades of experience in banking & finance sector, including 28 years in Standard Chartered Bank, based in India and overseas, where he was head of programme & change management. Additionally, he has over 18 years of experience as a consultant in banking services for several international institutions, including in Indonesia, Thailand and Mauritius by way of his association with Quest OntheFRONTIER Pte. Ltd., Bain & Company SE Asia and iCube Consortium Pte. Ltd. respectively. Further, he has also been on the boards of companies in the venture capital, horticulture and agriculture sectors, an ATM manufacturer and in two companies in the primary and secondary healthcare sector which he had promoted.

Mr. Diaz is not a Director in any other listed company. He is Director on the Board of several private limited companies viz, Shunya Fodder and Forage Agritech, Access Trusteeship Company, Old Bridge Mutual Fund Trustee, Synergy Relationship Management Services, Aavishkaar Venture Trustees, Synergy Health and Medical, Microfinance Singapore and is an advisor to Aavishkaar Capital. Also, he is Director on the Board of Arohan Financial Services Limited (Unlisted public limited company).

Mr. Diaz is a Member / Chairperson of the following committees in the Arohan Financial Services Limited:

- Stakeholders Relationship Committee (Chairperson)
- Information Technology Strategy Committee (Chairperson)
- Corporate Social Responsibility Committee (Chairperson)
- Audit Committee
- Nomination & Recommendation Committee
- Risk Management Committee

Mr. Diaz holds 22,000 Equity Shares in the Bank as on March 31, 2026.

Mrs. Swati Rajendra Datye [DIN: 06751552]

Mrs. Swati Datye is an Independent Director of the Bank w.e.f. February 01, 2024, for a period of Five (5) years to hold office upto January 31, 2029.

Mrs. Datye has over Four (4) decades of experience in the field of Human Resources, including 37 years of experience across organisations like RBL Bank, First Data, ICICI Bank and Indian Hotels. She is a Post-graduate in management with specialization in HR from Mumbai University and is also certified on multiple assessment tools. Previously, she was associated with RBL Bank from October 2018 to June 2022, as Executive Vice President and Head Employee Experience, Talent Acquisition & Management, Diversity & Inclusion.

She was with First Data (now Fiserv) for 6 years, as Head HR, APAC and was instrumental in setting up the HR policies and processes for the India team and lead the HR function for the APAC region. Also, she has spent 21 years at ICICI Bank working across various roles in HR including business partner, talent acquisition, talent assessment, Leadership Mentoring Programs, HR Admin & Operations, POSH, Leadership Awards.

Mrs. Datye started her career with Indian Hotels (Taj Group) fresh out of campus and led the HR function at the Taj Air Caterers for 3 years. She pursued her BA (Economics) from D G Ruparel College, Mumbai University and her MBA (HR) from Narsee Monjee Institute of Management Studies. An active HR professional, she was the General Secretary of the Mumbai Chapter of National HRD Network in 2009-2011.

Mrs. Datye is not a Director in any other company.

Mrs. Datye does not hold any shares in the Bank as on March 31, 2026.

Mr. Deepak Kumar Sharma [DIN: 10575402]

Mr. Deepak Kumar Sharma is an Independent Director of the Bank w.e.f. April 11, 2024, for a period of Five (5) years to hold office upto April 10, 2029.

Mr. Sharma is a results-driven digital business leader with over Three (3) decades of proven track record in building successful ventures within the banking, telecom, and service sectors. He has spent 20+ years in Banking in different leadership positions. His dedication lies in driving transformative businesses by amalgamating strategy, technology, innovation, and cultural dynamics. Globally connected in tech and innovation, realm, he's highly regarded as a preeminent figure in fintech and digital leadership.

He has worked with Kotak Mahindra Bank for over 15 years (till October 2023), where he was involved in building Priority/HNI Banking, NRI Banking & Forex business. He was instrumental in starting & scaling Digital Initiatives at Kotak for over a decade and served as the Bank's first President & Chief Digital Officer for over 5 years. He played a pivotal role in propelling the Bank as a digital leader, leaving a multifaceted and transformative impact. Under his strategic vision, different departments achieved remarkable success. His role extended to developing Digital Platforms, Product Engineering, Design, Mobile apps, Digital Bank-811, digital transformation, India stacks like UPI, CBDC, ONDC, AA, OCEN, Open API connecting the banking Platform with 250+ partners, AI, and Blockchain, Fintech partnership etc. Overall, Mr. Sharma drove innovation, strategic partnerships, and digital maximization, contributing to enhanced productivity, growth, and cost efficiency at Kotak.

Prior to this, at Standard Chartered Bank (2003-2008), Mr. Sharma served as Business Head for Smart Pay, achieving significant growth in corporate payroll deposits. His tenure began as a founding member of the Corporate Liability & Wealth Business, rising to National Business Head. Preceding this, he was at Hutchison Max and held pivotal roles in Corporate & New Initiatives, overseeing diverse aspects of telecom operations.

Mr. Sharma works as a Tech Entrepreneur & CXO Advisor with several large, growth stage global and Indian firms. He is also a pivotal member of Airtel's Customer Advisory Board, contributing significantly to enterprise strategy and product innovation in financial services within the 5G technology sphere. Furthermore, he extends his expertise globally, mentoring fintech and startup enterprises across various domains, including product design, revenue acceleration, and ecosystem establishment.

He has been closely associated with various Indian and global policy-making think tanks and venture capital firms on the future of financial services in the tech era. During his stint at Kotak, he was an active member of the CII Digital Transformation Committee, FICCI National Committee on Fintech, and several Startup-Industry Forums. Additionally, he engaged in numerous trade and Government initiatives concerning the Digital India Roadmap and provided ongoing mentorship to fintech and startup ecosystems.

Mr. Sharma completed a Technology Leadership Program at MIT Cambridge and a Program for Development of Strategy at IIM Kolkata. He also holds LEAD Certification in Corporate Innovation from Stanford GSB.

Mr. Sharma is not a director in any other listed or public limited company. He is director on the Board of Experian Credit Information Company of India Private Limited.

Mr. Sharma does not hold any shares in the Bank as on March 31, 2026.

Mr. Vivek Anant Karve [DIN: 06840707]

Mr. Vivek Karve is an Independent Director of the Bank w.e.f. January 21, 2025, for a period of Five (5) years to hold office upto January 20, 2030.

Mr. Karve is a finance professional with over Three (3) decades of rich work experience across Three (3) Sectors, namely, Financial Services, Consumer Goods and Information Technology (SAP consulting).

Mr. Karve was part of Marico, a leading FMCG Group in India, for about 20 years (October 2000 – September 2020). During his tenure with Marico, he held various leadership positions and for the last Six (6) years being as Group CFO. Some of the notable contributions in his career with Marico have centered around Performance Management, GRC, Automation in Finance Processes, Outsourcing of Finance Processes, Designing and Implementation of Long-term Incentive Plans, M&A due diligence, designing and implementing Functional Competency Frameworks for Finance, sponsoring a few centers of excellence in the finance function etc.

In his last stint as CFO of Financial Services Sector at Mahindra Finance, a listed NBFC (September 2020 to October 2024), he was responsible for leading Finance function, spanning sectors such as Vehicle & Home Finance, Insurance Broking and Mutual Fund. As a member of the top leadership team, he helped steer the company through the turbulent Covid period. Some of the notable contributions in his career with Mahindra Finance have centered around setting Performance Management Systems & Processes and Centralization of Customer On-boarding due diligence and Finance Processes.

Mr. Karve worked with Siemens Information Systems Limited (February 1998 – September 2000), ICICI Limited (March 1995 - February 1998), Procter and Gamble India Limited (October 1994 - March 1995) and A.F. Ferguson and Company (July 1991 - June 1994).

As an individual, he is a team player with a focus on planning and excellence.

Mr. Karve is an Independent Director on the Board of Kaya Limited, Niva Bupa Health Insurance Company Limited and Aavas Financiers Limited (Listed Companies) and Eternis Fine Chemicals Limited (Unlisted public limited company). He is also on the Board of Process Intelligence and Dynamics Private Limited.

Mr. Karve is a Member / Chairperson of the following committees in the aforesaid companies:

(i) Eternis Fine Chemicals Limited

- Risk Management Committee (Chairperson)
- Audit Committee
- Nomination and Remuneration Committee

(ii) Kaya Limited

- Audit Committee (Chairperson)
- Risk Management Committee (Chairperson)
- Stakeholders Relationship Committee (Chairperson)

(iii) Niva Bupa Health Insurance Company Limited

- Audit Committee (Chairperson

(iv) Aavas Financiers Limited

- Audit Committee (Chairperson)
- CSR & ESG (Member)

Mr. Karve does not hold any shares in the Bank as on March 31, 2026.

Mr. Sunil Satyapal Gulati [DIN: 00016990]

Mr. Sunil Gulati is an Independent Director of the Bank w.e.f. March 12, 2026, for a period of Five (5) consecutive years to hold office upto March 11, 2031.

Mr. Sunil Gulati is the Chairman and Independent Director on the Boards of SBI Mutual Fund Trustee Company, Merisis Advisors and Arthan Finance and an Independent Director and Chair of Audit/ Risk/ NRC Committees on the Boards of Fedbank Financial Services, Kauvery Hospitals, Perfios Account Aggregation Services, Tapstart Capital (part of Freo) and Access Equity (branded as Velocity), which are Fintech companies providing financing solutions.

Till March 2024, he was the Chairman of Fincare Small Finance Bank which merged with AU Small Finance Bank. He completed two terms as an Independent Director at PNB MetLife Insurance in 2023. While at PNB MetLife, he was Chairman of the Audit Committee, NRC and With Profit Committees and a member of the Policyholders Protection Committee.

Mr. Sunil Gulati is a Senior Advisor to Ambit Finvest and WEH Ventures, an AIF registered seed fund focused on funding early-stage companies.

Mr. Sunil Gulati is a member of the Mutual Fund Advisory Committee constituted by SEBI and has chaired or been a member of various Working Groups set up by SEBI for the development and regulation of the Mutual Fund industry, including on MF Lite, Passive Fund development & regulations, Trustee Board responsibilities and Ease of Doing Business. He is a member of the Strategic Academic Advisory Board set up by the School of Rural Management, XIM University, Bhubaneswar.

Mr. Sunil Gulati has 3 decades of global experience in the banking industry across investment banking, corporate finance, relationship management, risk management and corporate strategy. He was a key member of the management teams at RBL Bank Ltd, Yes Bank and ING Group at the stage of their rapid growth and transformation and establishment as mainstream players in the Indian Banking industry.

Mr. Sunil Gulati worked as Chief Risk Officer (CRO) for RBL Bank (2010-2016). Prior to this, he worked with Yes Bank (2006-2010) for 4 years, including as CRO for a short stint followed by the role of Group President responsible for all segments of Wholesale Banking. Prior to Yes Bank, Mr. Gulati headed GE Commercial Finance business (2004-2006) and ING Barings business in India and was part of the core team that helped ING acquire a controlling stake in Vysya Bank. He set up the Corporate & Investment banking business in ING Vysya and was also designated as Regional CEO for all their businesses in West India.

Mr. Sunil Gulati's formative years in banking (1989-2001) were spent with Bank of America in India and Hong Kong across relationship management, corporate development, and investment banking.

Mr. Sunil Gulati holds a B.Tech from the Indian Institute of Technology, Delhi (1982) in Electrical Engg/ Computer Science and is a Gold Medalist from the Indian Institute of Management, Ahmedabad (1984).

Mr. Sunil Gulati is an Independent Director on the Board of Fedbank Financial Services Limited, KMC Speciality Hospitals (India) Limited (Listed Companies) and SRI Kauvery Medical Care (India) Limited (Unlisted public limited company). He is Director on the Board of several private limited companies viz, Tapstart Capital, SBI Mutual Fund Trustee Company, Arthan Finance, Merisis Advisors, Perfios Account Aggregation Services and Access Equity.

Mr. Sunil Gulati is a Member/Chairperson of the following committees in the aforesaid companies:

(i) Fedbank Financial Services Limited

- Risk Management Committee (Chairperson)
- Nomination & Remuneration Committee (Chairperson)
- Audit Committee
- Committee of Directors (Operations)

(ii) KMC Speciality Hospitals (India) Limited

- Audit Committee (Chairperson)
- Nomination & Remuneration Committee (Chairperson)
- Risk Management Committee

(iii) Sri Kauvery Medical Care (India) Limited

- Audit Committee (Chairperson)
- Nomination & Remuneration Committee (Chairperson)

Mr. Sunil Gulati holds 22,000 Equity Shares in the Bank as on March 31, 2026.

Mr. Alok Sethi [DIN: 00277481]

Mr. Alok Sethi is an Independent Director of the Bank w.e.f. March 12, 2026, for a period of Five (5) consecutive years to hold office upto March 11, 2031.

Mr. Alok Sethi is a senior global executive and board director with extensive experience across asset management operations, technology, governance, and large-scale transformation. He served as Executive Vice President and Head of Global Operations and Technology at Franklin Templeton, where he led worldwide operations and technology for a global asset manager overseeing $1.7 trillion in assets.

Over a distinguished career spanning four decades, Mr. Sethi has led multi-country operating model transformations, major M&A integrations, and large technology and outsourcing initiatives in highly regulated environments. He played a key role in integrating significant acquisitions and a pivotal role in setting up and overseeing Global Capability Centers (GCCs) in India and Poland.

Mr. Alok Sethi has spent over 21 years with Franklin Templeton, with leadership roles across the United States, India, and Dubai, and currently serves as a Senior Advisor to Franklin Templeton, US. He also serves and has served on multiple boards within the Franklin Templeton group across geographies and brings deep expertise in fund governance, risk oversight, operational resilience, and strategic transformation.

He is a Chartered Accountant and holds a B.Com (Hons) from Delhi University.

Mr. Alok Sethi is not a Director in any other listed company. He is Director on the Board of several private limited companies viz, Templeton Global Advisors Limited, Templeton Global Holdings Limited, Franklin Templeton Trustee Services Private Limited, Franklin Templeton Services (India) Private Limited, Franklin Templeton International Services (India) Private Limited, International Money Matters Private Limited and Ramtirth Leasing and Finance Company Private Limited. He is also Director on the Board of Franklin Templeton Investments Poland sp z.o.o .

Mr. Alok Sethi holds 20,000 Equity Shares in the Bank as on March 31, 2026.

Mr. Ranjit Jayant Shah [DIN: 00088405]

Mr. Ranjit Shah is a Non-Executive Non-Independent (Investor) Director of the Bank w.e.f. November 2, 2018. He was re-appointed at the 17th AGM of the Bank held on September 11, 2025. He is liable to retire by rotation at the ensuing AGM of the Bank and being eligible has offered himself for re-appointment, to hold office upto November 01, 2026 (i.e. upto completion of his total term of 8 years as permissible under the provisions of the BR Act).

He is a Co-founder and Managing Partner of Gaja Capital. He holds a Bachelor's Degree in Electrical Engineering from Indian Institute of Technology, Bombay and an MBA from the University of Michigan. He has over Four (4) decades of experience including over Two (2) decades in private equity and the rest in the telecom / technology sector and in financial services and management consulting.

Mr. Ranjit Shah is not a Director in any other listed company. He is Director on the Board of private limited companies namely Rams Mercantile and Thyssenkrupp Uhde India. Also, he is a Whole-time Director of Gaja Alternative Asset Management Limited.

Mr. Ranjit Shah does not hold any shares in the Bank in his personal capacity as on March 31, 2026.

Mr. Baskar Babu Ramachandran [DIN: 02303132]

Mr. Baskar Babu Ramachandran is the Managing Director & CEO of the Bank w.e.f. January 23, 2017. He promoted Suryoday Micro Finance Private Limited in 2008 and was the Managing Director of the Company which got converted into the Bank in January 2017. He was re-appointed for a period of Three (3) years with effect from January 23, 2020 to January 22, 2023 with the approval of the RBI and the Shareholders of the Bank vide Special Resolution passed at the Extra Ordinary General Meeting held on July 27, 2020.

Mr. Baskar Babu Ramachandran was re-appointed as Managing Director & CEO for further period of Three (3) years w.e.f. January 23, 2023 to January 22, 2026 with the approval of the RBI and the Shareholders of the Bank vide Special Resolution passed at the 14th AGM held on August 26, 2022.

Mr. Baskar Babu Ramachandran has been re-appointed as Managing Director & CEO of the Bank for a further period of Three (3) years, w.e.f. January 23, 2026 to January 22, 2029, based on the approval granted by the Shareholders of the Bank at the 17th AGM held on September 11, 2025 and the approval of the RBI has also been received vide its Letter No. DoR.GOV.No.S5685/29.44.006/2025-26 dated October 16, 2025.

He holds a Bachelor's Degree in Mechanical Engineering from the University of Madras and an MBA from Pondicherry University. He has participated in the management development program for Strategic Management for corporate leadership conducted by Indian Institute of Management – Calcutta. He has several years of experience in the banking and finance sector. Prior to co-founding Suryoday Micro Finance Private Limited, he was associated with various companies including GE Capital Transportation Financial Services, HDFC Bank and Cholamandalam.

Mr. Baskar Babu Ramachandran is not a director in any other listed or public limited company. But he is on the Board of Director of Indian Institute of Banking and Finance.

Mr. Baskar Babu Ramachandran holds 55,51,911 Equity shares in the Bank as on March 31, 2026.

Mr. Hemant Premchand Shah [DIN: 10548728]

Mr. Hemant Shah has been appointed as Whole-time Director [designated as **"Executive Director"** and Key Managerial Personnel of the Bank] for a period of Three (3) years, effective from April 01, 2024 to March 31, 2027 with the approval of the RBI vide its Letter No. DoR.GOV.No.S6035/29.44.006/2023-24 dated January 18, 2024 read with Letter No. DoR.GOV.No.S7134/29.44.006/2023-24, dated March 11, 2024 and subsequently by the Shareholders of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024.

Mr. Hemant Shah is a seasoned banker with over 35 years of experience in banking & financial companies, of which he has the last 28 years of exceptional experience with Kotak Bank. In his career, he has administered Banking Operations, Risk Portfolio, Business Solutions Group and Governance Functions.

He has a proven track record of demonstrating the ability to formulate and execute strategic support service functions aligned with the organisation's vision and mission. In his last stint with Kotak Bank, he handled Retail Operations, Compliance, Data Management, Risk Management, Business Solutions for Retail Banking System, and Large Project Management (including integration with ING VYSYA Bank). Before Kotak Bank, he served in various roles with TATA Motors Finance and Gruh Finance.

By qualification, he holds Bachelor's Degree in Commerce and completed various Executive Education programmes from ISB Hyderabad & IIM Ahmedabad.

Mr. Hemant Shah is not a director in any other listed or public limited company.

Mr. Hemant Shah holds 1,000 Equity shares in the Bank as on March 31, 2026.

d) Board Meetings, Attendance and Committee membership

The Board and Board's Committees meetings are convened at regular intervals to deliberate on matters of strategic and financial importance. In accordance with the RBI Circular No. RBI/DOR/2025-26/180 DOR.HGG.GOV.No.99/29.67.001/2025-26 dated November 28, 2025, namely Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025, the Bank's Board shall fulfil four major roles viz. overseeing the risk profile of the bank, monitoring the integrity of its business and control mechanisms, ensuring the expert management, and maximising the interests of its stakeholders. Further, the Agenda of the Board covers Seven (7) critical themes, including Business Strategy, Risk, Financial Reports and their Integrity, Compliance, Customer Protection, Financial Inclusion and Human Resources.

The Annual Calendar of meetings of the Board and Board's Committees is decided well in advance to ensure Board members availability and effective participation in the Board and Committee meetings and meetings at short notice is convened only in case of urgency of matters or if permissible, approval is sought through circulation of the Resolution alongwith detailed Notes and supporting documents. The Agenda Notes and relevant presentations for the meetings are sent well in advance. After conclusion of the meetings, the Directions of the Board and Board Committees and significant decisions taken at the Board and Committees are tracked till their closure and reported to the Board and respective Committees in the form of Action Taken Report at their subsequent meetings. Further, the draft Minutes are circulated to the Board and respective Board Committees for their review and confirmation and placed at the next meeting for noting and signature of the respective Chairpersons.

The Company Secretary is responsible for convening the Board and Board Level Committee Meetings, preparation and distribution of Agenda and other relevant documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and grievance aspects.

The Business and other functional Heads of the Bank make presentations on various Agenda items, portfolios and key products of the Bank.

During the year under review, Ten (10) Board meetings were held on May 08, 2025, June 19, 2025, June 26, 2025, July 24, 2025, September 11, 2025, October 16, 2025, November 06, 2025, January 22, 2026, February 12, 2026 and March 12, 2026. The gap between any two meetings did not exceed one hundred and twenty days.

Details of attendance of Directors at Board Meetings held during FY 2025-26 and at the last AGM and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2026, are given below:

Name of the Director and Category	No. of Board meetings attended/ held during their tenure	Attendance at last AGM (September 11, 2025)	No. of directorships in other Public Companies	No. of Committee positions held in other Public Companies		Directorship in other Listed Entity and Category
				Chairperson	Member	
Mr. Krishna Prasad Nair[1] Part-time Chairman and Independent Director	10/10	Yes	-	-	-	-
Mr. John Arunkumar Diaz Independent Director	10/10	Yes	1	1	2	-
Mrs. Swati Datye Independent Director	10/10	Yes	-	-	-	-
Mr. Deepak Kumar Sharma Independent Director	10/10	Yes	-	-	-	-
Mr. Vivek Karve[2] Independent Director	10/10	Yes	3	3	4	1) Kaya Limited 2) Niva Bupa Health Insurance Company Limited
Mr. Sunil Satyapal Gulati[3] Independent Director (w.e.f. March 12, 2026)	1/1	NA	3	2	3	1) KMC Speciality Hospitals (India) Limited 2) Fedbank Financial Services Limited
Mr. Alok Sethi[4] Independent Director (w.e.f. March 12, 2026)	1/1	NA	-	-	-	-

Name of the Director and Category	No. of Board meetings attended/ held during their tenure	Attendance at last AGM (September 11, 2025)	No. of directorships in other Public Companies	No. of Committee positions held in other Public Companies		Directorship in other Listed Entity and Category
				Chairperson	Member	
Mr. Ranjit Shah[5] Investor Director	7/10	Yes	1	-	1	-
Mr. Baskar Babu Ramachandran[6] Managing Director & CEO	10/10	Yes	-	-	-	-
Mr. Hemant Shah Whole-time Director (Executive Director)	10/10	Yes	-	-	-	-

Notes:

[1] Mr. Krishna Prasad Nair (DIN: 02611496) who was appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years with effect from July 22, 2021 has been re-appointed as Non-Executive Independent Director of the Bank for the second term of Three (3) consecutive years, effective from July 22, 2026 to July 21, 2029, vide Special Resolution passed through Postal Ballot on February 28, 2026. Further, the RBI has vide Letter No. DoR.GOV.No.S1240/29.44.006/2025-26 dated May 12, 2026, has granted its approval for the re-appointment of Mr. Krishna Prasad Nair as Part-time Chairman of the Bank for a further period of Three (3) years with effect from July 22, 2026 upto July 21, 2029.

[2] Mr. Vivek Karve (DIN: 06840707), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years with effect from January 21, 2025 to January 20, 2030, vide Special Resolution passed through Postal Ballot on April 15, 2025.

[3] Mr. Sunil Satyapal Gulati (DIN: 00016990), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years with effect from March 12, 2026 to March 11, 2031 *(both days inclusive)*, vide Special Resolution passed through Postal Ballot on June 08, 2026.

[4] Mr. Alok Sethi (DIN: 00277481), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years with effect from March 12, 2026 to March 11, 2031 *(both days inclusive)*, vide Special Resolution passed through Postal Ballot on June 08, 2026.

[5] Mr. Ranjit Shah (DIN: 00088405), Investor Director, was re-appointed at the Seventeenth (17th) AGM of the Bank held on September 11, 2025, liable to retire by rotation.

[6] Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & CEO of the Bank has been re-appointed for a further period of Three (3) years, with effect from January 23, 2026 to January 22, 2029, based on the approval granted by the Shareholders at the AGM held on September 11, 2025 and the approval of the RBI has also been received vide its Letter No. DoR.GOV.No.S5685/29.44.006/2025-26 dated October 16, 2025.

Other Notes:

- On request, leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings;
- Other directorships do not include directorships in private limited companies, foreign companies, and companies under Section 8 of the Act. Chairmanships/ memberships of Board Committees shall include Audit Committee of Board (**"ACB"**) and Stakeholders Relationship Committee (**"SRC"**) only in other Public Limited Companies;
- None of the Directors on the Board hold directorship in more than 10 Public Limited Companies and not exceeding 20 companies in compliance with the provisions of the Companies Act, 2013;
- None of the Directors on the Board are member of more than 10 committees (ACB and SRC) or acted as a chairman of more than 5 committees (ACB and SRC) across Public Limited Companies in which they hold directorship;
- None of the Directors on the Board serves as a Director on more than 7 Listed Companies;
- No inter se relationship exists between the Directors of the Bank.

e) Number of shares held by Non-Executive Directors:

The details of Shareholding of Non-Executive Directors as on March 31, 2026, is as under:

Name of Director	Total Number of Shares held in the Bank as on March 31, 2026
Mr. Krishna Prasad Nair, *(Part-time Chairman and Independent Director)*	Nil
Mr. John Arunkumar Diaz, *(Independent Director)*	22,000
Mrs. Swati Datye, *(Independent Director)*	Nil
Mr. Deepak Kumar Sharma, *(Independent Director)*	Nil

Name of Director	Total Number of Shares held in the Bank as on March 31, 2026
Mr. Vivek Karve, *(Independent Director)*	Nil
Mr. Sunil Satyapal Gulati, *(Independent Director)*	22,000
Mr. Alok Sethi, *(Independent Director)*	20,000
Mr. Ranjit Shah, *(Investor Director)*	Nil

The Bank does not have any convertible instruments. Accordingly, none of the Non-Executive Director of the Bank hold any convertible instrument of the Bank as on March 31, 2026.

The meetings of the Board/ Committees of the Board are convened by giving appropriate Notice. All members of the Board and Committees thereof strive to attend all Board/Committee meetings, as applicable. In case any member is unable to attend any meeting and requests leave of absence, the same is considered by the Board/ Committees.

Necessary compliance pursuant to circulars issued by Ministry of Corporate Affairs (**"MCA"**) and SEBI were ensured for the Board/ Committee meetings held through video conferencing mode (**"VC"**). The Board members attending the meetings through VC confirmed that no other person was present or having access to the VC and also confirmed that audio / video was clearly audible and visible to them.

The important decisions taken at the Board/ Committee meetings are communicated to the respective department heads for the implementation of the said decisions. An Action Taken Report arising out of the discussions at earlier meetings is prepared and placed at the subsequent Board meeting/ respective Committee meeting.

The Board is regularly apprised and informed of important business-related information. The Board meeting dates are finalised in consultation with all the Directors in advance. However, whenever required to address any urgent / specific agenda, additional meetings are convened. Further, the agenda papers supported by comprehensive notes and relevant information, documents and presentations are circulated in advance to all the Board members which enable them to take informed decisions and discharge their functions effectively. The Agenda for the Board meetings cover the necessary information to be placed before the Board of Directors as per Regulation 17(7) of the SEBI Listing Regulations read with Part A of Schedule II thereto to the extent these are relevant and applicable. The Board reviews the items in the agenda and particularly reviews and approves the Financial Results, Annual Financial Statements, Annual Operating Plans & Budgets. The compliance reports pertaining to all laws applicable to the Bank are placed before the Board on quarterly basis and minutes of Committee meetings are placed before the Board of the Bank periodically.

4. COMMITTEES OF THE BOARD

The Board has constituted several Board Committees to deal with specific matters and the terms of reference of each Committee are defined.

As of March 31, 2026, there were Ten (10) Committees of the Board as enlisted below:

Sr. No.	Name of the Committee
(i)	Audit Committee of the Board
(ii)	Nomination and Remuneration Committee
(iii)	Corporate Social Responsibility & ESG Committee
(iv)	Risk Management Committee of the Board
(v)	Stakeholders' Relationship Committee
(vi)	Credit Committee of the Board
(vii)	IT Strategy Committee
(viii)	Customer Service Committee
(ix)	Special Committee of the Board for monitoring and follow up of cases of frauds
(x)	Board Committee for Review of Wilful Defaulters

The composition and the Terms of Reference / Charters of the Committees of the Board are provided below:

(i) Audit Committee of the Board:

The Bank has constituted the Audit Committee of the Board (**"ACB"**) in line with the provisions of Section 177 of the Act, applicable RBI Guidelines and Regulation 18 of the SEBI Listing Regulations. The Composition of the ACB as on March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. Vivek Karve, *Independent Director*	Chairperson
2.	Mr. John Arunkumar Diaz, *Independent Director*	Member
3.	Mr. Deepak Kumar Sharma, *Independent Director*	Member
4.	Mr. Ranjit Shah, *Investor Director*	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Sunil Gulati and Mr. Alok Sethi have been inducted as members.

The Company Secretary of the Bank acts as the secretary of this Committee.

The Managing Director & CEO, the Executive Director, the Chief Financial Officer, the Chief Compliance Officer, the Chief Audit Officer, the Chief of Internal Vigilance and Statutory Auditors are invited for the ACB meetings.

The scope and functions of the ACB are governed by the Board approved ACB Charter which is drawn up in line with the requirements of the relevant provisions of the Act, SEBI Listing Regulations, and the RBI guidelines in this regard.

The terms of reference/charter of the Audit Committee are as under:

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible.

2. Review the appropriateness, application and quality of the accounting policies and practices and the financial reporting process.

3. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of the auditors of the Bank and approval of appointment of Chief Financial Officer and Chief Audit Officer after assessing the qualifications, experience and background, etc. of the candidate. And to approve the appointment/re-appointment (including terms of appointment/ re-appointment) of the Concurrent Auditors and Legal Auditors and review their scope of work;

4. Discussion with Statutory Auditors, Internal Auditors and Secretarial Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

5. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

6. Reviewing, with the management, performance of statutory, secretarial and internal auditors and adequacy of the internal controls system.

7. Monitoring the end use of funds raised through public offers and related matters;

8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

9. To review valuation of undertakings or assets of the Bank, wherever necessary.

10. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

11. To establish a vigil mechanism (whistle blower mechanism) for Directors and employees to report their genuine concerns or grievances and reviewing the Whistle blower policy and mechanism periodically.

12. To approve or ratify transactions of the Bank with related parties as per the provisions of the Policy for Related Party Transactions of the Bank and review significant transactions and matters related thereto; Grant of omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as prescribed and as amended from time to time.

    (Explanation: Related parties as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the Banking Regulation Act and/or circulars issued by the RBI in this regard.)

13. Review the implementation and effectiveness of the financial and Risk Management policies and processes and highlight any gaps observed to the Board.

14. Review and analyse various regulatory inspection and audit reports to identify inconsistencies and understand the Bank's action plan to mitigate the same.

15. **With respect to financial statements of the Bank:**

    a) Review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval with particular reference to:

        i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report, in terms of the Companies Act, 2013;

        ii. Changes, if any, in the accounting policies and practices, with reasons for the same;

iii. Major accounting entries involving estimates based on the exercise of judgment by management;

iv. Significant adjustments made in the financial statements arising out of audit findings;

v. Compliance with listing and other legal and regulatory requirements relating to financial statements;

vi. Disclosure of related party transactions;

vii. Qualifications and Modified opinions in the draft audit report;

viii. Compliance with accounting standards;

b) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

c) Review of the financial statement and auditors' report thereon;

16. The ACB shall mandatorily review the following information:

a. management discussion and analysis of financial condition and results of operations;

b. statement of significant related party transactions submitted by management;

c. management letters / letters of internal control weaknesses issued by the statutory auditors;

d. internal audit reports;

e. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the ACB; and

f. statement of deviations as and when becomes applicable:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**); and

(ii) annual statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/notice in terms of the Listing Regulations.

17. Inspections conducted by Regulators

With respect to Inspection reports of the Inspecting team of Reserve Bank of India or any other regulator, approve action plans for corrective actions to be taken and monitor compliance thereof and review compliance in respect of the Annual Financial Inspection conducted by RBI on ongoing basis till the Bank furnishes full compliance. ACB should closely monitor persisting deficiencies pointed out in RBI Inspection Reports.

18. Process Improvement

a. Establish a process of reporting by the management or Statutory Auditors, as the case may be to the ACB with regard to any significant judgement made in preparation of the financial statements along with their views on appropriateness of such judgements.

b. Following completion of the annual audit and internal audit plan, review separately with each of the Management Team, the Statutory Auditors and the Chief Audit Officer any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.

c. Review any significant disagreement between the Management and the Statutory Auditors in connection with the preparation of the financial statements.

d. Review with Management the extent to which changes or improvements in financial or accounting practices, as approved by the ACB, have been implemented.

e. Perform any other activities consistent with this Charter and governing laws, as the ACB or the Board deems necessary or appropriate.

Meetings of ACB:

During the year under review, the ACB met Seven (7) times on May 08, 2025, June 17, 2025, July 24, 2025, September 04, 2025, November 06, 2025, January 22, 2026 and March 11, 2026.

The details of the meetings of ACB attended by the members during FY 2025-26 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. Vivek Karve	7	7
Mr. John Arunkumar Diaz	7	7
Mr. Deepak Kumar Sharma	7	7
Mr. Ranjit Shah	7	6

(ii) Nomination and Remuneration Committee:

The Bank has constituted the Nomination and Remuneration Committee (**"NRC"**) in line with the provisions of Section 178 of the Act, applicable RBI Guidelines and Regulation 19 of the SEBI Listing Regulations and the Circulars issued by RBI in this regard, from time to time, which, inter alia, deals with the matters relating to appointments on the Board and Senior Management, performance appraisal and compensation related matters of the Bank.

The NRC evaluates fit and proper criteria of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal, and specifies the manner for effective evaluation of the performance of the Board, Board's Committees and individual Directors. The NRC formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees of the Bank. Criteria for performance evaluation for Independent Directors are provided in the Board's Report.

The Composition of NRC as on March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mrs. Swati Datye, Independent Director	Chairperson
2.	Mr. John Arunkumar Diaz, Independent Director	Member
3.	Mr. Krishna Prasad Nair, Independent Director	Member
4.	Mr. Ranjit Shah, Investor Director	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Sunil Gulati and Mr. Alok Sethi have been inducted as members.

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Evaluate the mix of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of independent directors and other directors.

2. Formulating the criteria for determining qualifications, industry knowledge, skill sets, experience, positive attributes, and independence of a director and to recommend to the Board of Directors a policy, relating to the appointment / re-appointment of the directors.

3. The person recommended to the Board for appointment as a director shall have the capabilities identified in such description.

   For the purpose of identifying suitable candidates, the Committee may:

   a) use the services of an external agency, if required;

   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) consider the time commitments of the candidates.

4. Formulating the criteria for remuneration payable to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Bank and to recommend to the Board of Directors a policy in this regard.

   The Committee, while formulating the above policy shall generally ensure that the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate managerial talent, meets appropriate performance benchmarks and involves a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the Bank.

   The Committee shall also ensure that the above policy is fully compliant with the statutory and regulatory guidelines issued from time to time on compensation to Key Management Personnel (KMP); Whole Time Directors (WTD); Chief

Executive Officer (CEO); Material Risk Takers (MRT) and Risk Control Function Staff (RCS).

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down under applicable provisions and policies of the Bank and recommend to the Board of Directors, the appointment / re-appointment or removal thereof. In the case of appointment / re-appointment of directors, the Committee shall ensure that the persons identified adhere to the 'fit and proper' guidelines issued by RBI, the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and other applicable provisions of the BR Act in this regard.

6. Formulating /reviewing the criteria for evaluation of performance of all the directors and specifying the manner for effective evaluation of performance of the Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

7. Extending or continuing the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

8. Reviewing the "fit and proper" status of all the Directors on the Board of the Bank, on an annual basis, in accordance with the statutory and regulatory guidelines in force.

9. Devising a policy on diversity of Board of Directors and accordingly to review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in the composition of the Board as deemed necessary in accordance with the extant norms and reviewing the policy on diversity of Board of Directors.

10. Recommending to the Board, all remuneration, in whatever form, payable to KMP, WTD, CEO, MRT and RCS.

11. Recommending to the Board of Directors a policy on succession planning for the board and senior management and overseeing and reviewing the succession plans from time to time.

12. Advising HR related policies and thereafter reviewing the same on periodical basis.

13. To review the list of MRT, RCS and other categories of employees in accordance with extant guidelines.

14. Administering, monitoring, and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Bank and to consider grant of Stock Options or other share linked instruments (by whatever name called) to employees of the Bank and to function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and to allot shares pursuant to exercise of Stock Options by employees.

15. Reviewing the composition of the existing Committees of the Board on annual basis and to recommend to the Board the changes in the composition of the existing Committees, if any, and also to recommend to the Board constitution of the new Committees, as and when required, considering the regulatory and / or business requirements of the Bank.

16. Carrying out any other function as is mandated by the Board from time to time and /or enforced/ mandated by any statutory notification, amendment or modification, as may be applicable; and

17. Performing such other functions as may be necessary or appropriate for the performance of its duties pursuant to the applicable Laws / Regulations / Rules thereunder.

Meetings of NRC:

During the year under review, the Committee met Seven (7) times on May 07, 2025, June 19, 2025, June 24, 2025, July 23, 2025, October 16, 2025, February 10, 2026 and March 10, 2026.

The details of the meetings of NRC attended by the members during FY 2025-26 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mrs. Swati Datye	7	7
Mr. John Arunkumar Diaz	7	7
Mr. Krishna Prasad Nair	7	7
Mr. Ranjit Shah	7	4

(iii) Corporate Social Responsibility & ESG Committee (formerly known as Corporate Social Responsibility Committee):

The Bank has constituted the Corporate Social Responsibility & ESG Committee (**"CSR & ESG"**) in line with the provisions of Section 135 of the Act. The Composition of CSR & ESG as of March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mrs. Swati Datye, Independent Director	Chairperson
2.	Mr. Deepak Kumar Sharma, Independent Director	Member
3.	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Vivek Karve and Mr. Hemant Shah have been inducted as members and Mr. Baskar Babu Ramachandran has ceased to be a member of the Committee.

The terms of reference of the Corporate Social Responsibility & ESG Committee are as under:

A. CORPORATE SOCIAL RESPONSIBILITY (CSR)

1) To Review and recommend to the Board, changes, as and when required, in the Corporate Social Responsibility Policy of the Bank, which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013, and Rules made thereunder, as amended from time-to-time;

2) To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy to the Board in accordance with the provisions of the Companies Act, 2013 and rules made thereunder;

3) To monitor the implementation of CSR objectives of the Bank;

4) To monitor and oversee the CSR spend on various projects/activities on periodical basis;

5) To formulate and recommend to the Board:

   a) An annual action plan and status of fund utilisation, whenever required;

   b) Details of need and impact assessment, if any, for the projects undertaken by the Bank and appoint the agency for carrying out impact assessment, as and when required;

   c) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

   d) The manner of execution of such projects or programmes as specified;

   e) The modalities of utilisation of funds and implementation schedules for the projects or programmes;

   f) Monitoring and reporting mechanism for the projects or programmes; whenever required in pursuance of Corporate Social Responsibility Policy.

6) To consider and recommend the Annual CSR Report to the Board for approval;

7) To report and communicate to the Bank's stakeholders on the CSR activities being undertaken by the Bank for their awareness;

8) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

B. ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

1) To oversee the adoption of environmental, social, and governance **("ESG")** factors/ principles in the business activities/ practices of the Bank, including responsible lending and overseeing ESG-related plans/ targets.

2) To monitor the Bank's ESG Framework, Objectives, Policies and Disclosure requirements and to make recommendation to the Board on the Bank's overall ESG Strategy and its implementation.

3) To provide guidance and recommendations on the integration of ESG considerations into the Bank's business, in line with the applicable regulatory provisions.

4) To oversee and review the Bank's governance frameworks and practices to monitor, assess and mitigate ESG related risks and climate risks.

5) To review the Bank's efforts towards capitalizing ESG related opportunities.

Meetings of CSR & ESG Committee:

During the year under review, the CSR & ESG Committee met Four (4) times on May 06, 2025, July 22, 2025, October 16, 2025 and January 21, 2026.

The details of the meetings of the CSR & ESG Committee attended by the members during FY 2025-26 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mrs. Swati Datye	4	4
Mr. Deepak Kumar Sharma	4	4
Mr. Baskar Babu Ramachandran	4	4

The CSR Policy of the Bank has been uploaded on the website of the Bank at https://suryoday.bank.in/assets/pdf/policies/suryoday-csr-policy-fy26-27-1.0.pdf

(iv) Risk Management Committee:

The Bank has constituted the Risk Management Committee of the Board (**"RMCB"**) in line with the provisions of applicable RBI guidelines, SEBI Listing Regulations and other applicable provisions.

The Composition of RMCB as of March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. John Arunkumar Diaz, Independent Director	Chairperson
2.	Mr. Krishna Prasad Nair, Independent Director	Member
3.	Mr. Deepak Kumar Sharma, Independent Director	Member
4.	Mr. Vivek Karve, Independent Director	Member
5.	Mr. Baskar Babu Ramachandran, Manging Director & CEO	Member
6.	Mr. Hemant Shah, Executive Director	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Sunil Gulati and Mr. Alok Sethi have been inducted as members.

The Chief Risk Officer (**"CRO"**) reports to the Executive Director of the Bank. The CRO is independent of the business lines and is actively involved in key decision-making processes that impact the risk profile of the Bank. The CRO also meets the members of the RMCB without the presence of the Manging Director & CEO and Executive Director of the Bank.

The terms of reference of the Risk Management Committee of the Board are as under:

1. Formulation of detailed Risk Management Policies which shall include:

   a) Framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information security, cyber security risks or any other risk as may be determined by the Committee.

   b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   c) Business Continuity Plan (BCP).

2. To frame and govern the risk strategy, and to approve the setting up of Bank's risk appetite and limits and to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.

3. To review all Board approved policies of the Bank from time to time which are routed through functional Committees of the Board after review and recommendation.

4. To evaluate and establish a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk, strategic risk, compliance risk, reputation risk, exit strategic risk, information security and access risk, cyber security risk, attrition risk etc. to mitigate any risk arising therefrom.

5. To review Capital Adequacy ratio (**"CRAR"**) periodically.

6. To review Internal Capital Adequacy Assessment Process (**"ICAAP"**) exercise and recommend the ICAAP document to the Board for approval.

7. To review, approve and recommend to the Board, risk management policies, systems, processes, and risk management framework periodically, including by considering the changing industry dynamics and evolving complexity.

8. To review, assess and approve the stress testing results/scenarios/analysis and monitor the action plans and take corrective measures wherever necessary.

9. To oversee the working of Risk Management Committee of the Executives (**"RMCE"**) and Asset-Liability Committee (**"ALCO"**) and take note of the minutes of the meetings of RMCE and ALCO.

10. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.

11. To conduct one-on-one Meeting of Chief Risk Officer with the Committee, without the presence of the management including the Managing Director & CEO, in accordance with RBI Circular No. RBI/DOR/2025-26/180 DOR.HGG.GOV. No.99/29.67.001/2025-26 dated November 28, 2025, namely Reserve Bank of India (Small Finance Banks - Governance) Directions, 2025.

12. To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of RMCB:

During the year under review, the RMCB met Six (6) times May 06, 2025, June 17, 2025, August 21, 2025, November 17, 2025, February 11, 2026 and March 11, 2026.

The details of the meetings of RMCB attended by the members during FY 2025-26 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. John Arunkumar Diaz	6	6
Mr. Krishna Prasad Nair	6	6
Mr. Deepak Kumar Sharma	6	6
Mr. Vivek Karve	6	6
Mr. Baskar Babu Ramachandran	6	6
Mr. Hemant Shah	6	6

(v) Stakeholders' Relationship Committee:

The Bank has constituted the Stakeholders' Relationship Committee (**"SRC"**) in line with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations.

The Composition of SRC as on March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. Deepak Kumar Sharma, Independent Director	Chairperson
2.	Mrs. Swati Datye, Independent Director	Member
3.	Mr. Ranjit Shah, Investor Director	Member
4.	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Alok Sethi, Mr. Krishna Prasad Nair, Mr. Vivek Karve and Mr. Sunil Gulati have been inducted as members, and then Mr. Alok Sethi has been appointed as Chairperson. Mr. Deepak Kumar Sharma and Mr. Baskar Babu Ramachandran have ceased to be Chairperson /members of the Committee.

Compliance Officer

Mr. Krishna Kant Chaturvedi, Company Secretary of the Bank is appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations and is responsible for the compliance with the requirements of the Securities Laws and SEBI Listing Regulations with the Stock Exchanges. He also acts as the Secretary of this Committee.

The terms of reference/charter of the Stakeholder's Relationship Committee are as under:

1) To Resolve the grievances of the security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

2) To Review measures taken for effective exercise of voting rights by shareholders;

3) To review various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank; and

4) To monitor and review the performance and services being rendered by the Registrar and Transfer Agents of the Bank.

5) To Monitor and review any investor complaints, in respect of general meetings, transfer / transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new / duplicate certificates, general meetings, etc., received by the Bank or through RTA or through SEBI SCORES portal, Smart ODR, NSE & BSE and ensure their timely and speedy redressal.

6) To oversee and review all matters connected with transfer, transmission, name deletion, transposition, dematerialisation, rematerialisation, splitting/subdivision, consolidation of securities issued by the Bank and transfer of unclaimed dividend/shares to Investor Education and Protection Fund (IEPF).

7) To review movements in shareholding and ownership structure of the Bank.

8) The Committee shall oversee the various aspects of interests of all stakeholders of the Bank, including the shareholders and other security holders.

9) The Committee may sub-delegate all or any of its powers as referred in Clause (i) to (v) above to the Managing Director & chief executive officer or the Company Secretary to ensure timely and speedy resolution of any complaints/ grievances/requests etc.

10) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

11) To issue the "Letter of Confirmation" to the shareholders against the service requests received from them in terms of SEBI circular.

12) To review the engagements with various Stakeholders including communication and feedback received from them. Further, recommend steps for improving engagement with the Stakeholders.

This Committee oversees redressal of shareholders' and debenture holders' grievances and other related matters.

During the year under review, the SRC met Four (4) times on May 07, 2025, July 22, 2025, October 15, 2025 and February 12, 2026.

The details of the meetings of the SRC attended by the members during FY 2025-26 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. Deepak Kumar Sharma	4	4
Mrs. Swati Datye	4	4
Mr. Ranjit Shah	4	3
Mr. Baskar Babu Ramachandran	4	4

(vi) Credit Committee of the Board:

The Bank has constituted the Credit Committee of the Board (**"CCB"**) in line with the provisions of applicable RBI guidelines.

The Composition of CCB as on March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. Krishna Prasad Nair, Independent Director	Member
2.	Mr. John Arunkumar Diaz, Independent Director	Member
3.	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Sunil Gulati and Mr. Deepak Kumar Sharma have been inducted as a member, and then Mr. Sunil Gulati has also been appointed as Chairperson of the Committee.

The terms of reference of the Credit Committee of the Board are as under:

1. Approval of the credit proposals, that are beyond the approval authority of the Executive Credit Committee / the Managing Director & CEO (**"MD & CEO"**), within the limits stipulated in the Credit Policy of the Bank or Regulatory guidelines, as amended, from time to time.
2. Approval of the Credit proposals to the Related Parties, in accordance with the Regulatory guidelines prescribed under Reserve Bank of India (Small Finance Banks – Credit Risk Management) – Amendment Directions, 2026, issued by RBI vide Circular No. RBI/2025-26/174 DOR.CRE.REC.375/07-02-002/2025-26 dated January 05, 2026 (as amended from time to time), read with Credit Policy of the Bank.
3. Review of the quality of the credit portfolio of the Bank on a quarterly basis.
4. Review of the Credit Policy and other Credit related Policies of the Bank from time to time together with the credit risk management policies and suggest modifications as and when required.
5. Review of trend in Quick Mortality and Performance of Restructured Book vis-à-vis Overall pool.
6. Review of top 20 Exposures of Key Products of the Bank, based on criteria decided by the Committee from time to time, on quarterly basis and also take note of One-time settlement (OTS) cases approved during the quarter in accordance with the Collection and Recovery Policy of the Bank, as amended from time-to-time.
7. Review of enhancement of limits in various loan products of the Bank viz., Commercial Vehicle, Housing Loan, Loan Against Property, JLG, Supply Chain Finance (SCF) etc. and recommend to the Board for approval.
8. Review of list of proposals approved by the MD & CEO of the Bank on quarterly basis.
9. To review the Pilot programs approved by the MD & CEO on quarterly basis and accordingly deciding to regularise the same at appropriate stage.
10. Review and approve the proposals for Sale of Stressed loans to Asset Reconstruction Company(ies) and modalities to be followed for execution of Sale.
11. Review and recommend proposals pertaining to Technical and Actual write-off of loans for review of the Audit Committee of the Board and thereafter, for approval of the Board.
12. Review and recommend creation of various provisions relating to advances of the Bank for approval by the Board.
13. Perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of CCB:

During the year under review, the CCB met Eight (8) times on May 7, 2025, June 18, 2025, August 21, 2025, September 23, 2025, November 18, 2025, December 23, 2025, February 11, 2026 and March 25, 2026.

The details of the meetings of CCB attended by the members during FY 2025-26 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. Krishna Prasad Nair	8	8
Mr. John Arunkumar Diaz	8	8
Mr. Baskar Babu Ramachandran	8	8

(vii) IT Strategy Committee

The Bank has constituted the IT Strategy Committee (**"ITSC"**) in line with the provisions of applicable RBI guidelines.

The Composition of ITSC as of March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. Deepak Kumar Sharma, Independent Director	Chairperson
2.	Mr. Krishna Prasad Nair, Independent Director	Member
3.	Mr. John Arunkumar Diaz, Independent Director	Member
4.	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Alok Sethi and Mr. Hemant Shah have been inducted as members.

The terms of reference of the IT Strategy Committee are as under:

1) Review of technological developments in banking industry having relevance to the operations of the Bank, risk management, cyber security etc.

2) To approve and recommend to the Board an annual IT related strategy, its alignment with the overall business strategy, with risk management and its budget implications. Review implementation of the above on a quarterly basis.

3) Review of the progress in project implementation.

4) Review of vendor performance.

5) Review of Disaster Recovery Site performance, the Business Continuity Plan ("BCP") and matters related thereto and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement.

6) Review of IT organizational structure including IT- training matters.

7) Review of compliance to various IT-related inspection and audit reports.

8) Review of Cyber Security framework and related matters.

9) Approving policies related to IT and Information security.

10) Ensure that IT architecture, investment, organizational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.

11) Perform oversight functions over the IT Steering Committee (at a senior management level).

12) Monitoring IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.

13) Overseeing the aggregate funding of IT at a bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.

14) To perform any other functions or duties as may be assigned by the Board/ Committee or as stipulated by the Companies Act, 2013, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.

15) To coordinate and seek views from other Board Committees and Senior Management to seek inputs and accordingly align the IT strategies in line with the overall Corporate Strategy of the Bank.

16) To review periodically and assess the IT capacity requirements and plans.

Meetings of ITSC:

During the year under review, ITSC met Five (5) times on May 07, 2025, July 22, 2025, October 15, 2025, January 21, 2026 and March 10, 2026.

The details of the meetings of ITSC attended by the members during FY 2025-26 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. Deepak Kumar Sharma	5	5
Mr. Krishna Prasad Nair	5	5

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. John Arunkumar Diaz	5	5
Mr. Baskar Babu Ramachandran	5	5

(viii) Customer Service Committee:

The Bank has constituted the Customer Service Committee (**"CSC"**) in line with the provisions of applicable RBI guidelines.

The Composition of CSC as of March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. Krishna Prasad Nair, Independent Director	Chairperson
2.	Mr. John Arunkumar Diaz, Independent Director	Member
3.	Mrs. Swati Datye, Independent Director	Member
4.	Mr. Deepak Kumar Sharma, Independent Director	Member
5.	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member
6.	Mr. Hemant Shah, Executive Director	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Sunil Gulati Mr. Alok Sethi has been inducted as a member and then Mr. Sunil Gulati has been appointed as Chairperson of the Committee. Mr. Krishna Prasad Nair ceased to Member and Chairperson of the Committee.

The terms of reference of the Customer Service Committee are as under:

1) Assessing the overall implementation of the Customer Service-related Policies of the Bank, procedures, systems and processes and reviewing effective implementation of the Directives / guidelines issued by the Reserve Bank of India ("RBI").

2) Review of product approval process with respect to suitability and appropriateness for the customers and reporting of launching of any new products to the Committee.

3) Review of customer feedback gathered through customer satisfaction survey and suggest action for improvement and undertake appropriate measures / steps to protect customer's interests and provide best in class services to the customers.

4) Review of branding, marketing and customer engagement activities of the Bank and to work as a business support engine for growth of the Bank.

5) Review of activities undertaken to promote digital payments.

6) Review of the performance of the Standing Committee on Customer Service and updates submitted to the Customer Service Committee on quarterly basis.

7) Review all the awards given by the Banking Ombudsman and those awards remaining unimplemented for more than three months.

8) Review of the report of the Internal Ombudsman with respect to analysis of the complaints received, and complaints disposed of on quarterly basis.

9) To review at quarterly intervals the number of claims from deceased depositors.

10) Perform any other functions or duties as may be assigned by the Board or as stipulated by the RBI or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of CSC:

During the year under review, the CSC met Four (4) times on May 06, 2025, July 23, 2025, October 15, 2025 and January 21, 2026.

The details of the meetings of CSC attended by the members during FY 2025-26, are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. Krishna Prasad Nair	4	4
Mr. John Arunkumar Diaz	4	4

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mrs. Swati Datye	4	4
Mr. Deepak Kumar Sharma	4	4
Mr. Baskar Babu Ramachandran	4	4
Mr. Hemant Shah	4	4

(ix) Special Committee of the Board for monitoring and follow up of cases of frauds:

As per the RBI Master Directions RBI/DOS/2024-25/118DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15, 2024 and basis the recommendation of the NRC, the Board of Directors of the Bank at its meeting held on December 12, 2024, has approved the Constitution of Special Committee of the Board for monitoring and follow up of cases of frauds (**"SCBMF"**).

The Composition of SCBMF as of March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. Krishna Prasad Nair, Independent Director	Chairperson
2.	Mr. Vivek Karve, Independent Director	Member
3.	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member
4.	Mr. Hemant Shah, Executive Director	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Ms. Swati Datye has been inducted as a member and Mr. Baskar Babu Ramachandran has ceased to be a member of the Committee.

The terms of reference of the SCBMF are as under:

1. Oversees effectiveness of the Fraud Risk Management in the Bank,
2. Reviews & Monitors cases of fraud,
3. Reviews root cause analysis performed by the Line function,
4. Recommends mitigating measures for strengthening internal controls.
5. Oversees the Risk management framework to minimise the incidence of frauds.
6. To review electronic / digital banking frauds;
7. Examine the procedures and responsibilities for timely reporting of frauds to concerned regulatory and enforcement agencies; to review any other similar organisation in respect of the cases and recovery position thereof;
8. To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Note:

The Senior Management shall be responsible for implementation of the fraud risk management policy approved by the Board of the Bank. A periodic review of incidents of fraud shall also be placed before the Board / Audit Committee of Board (ACB), as appropriate, by the Senior Management of the Bank.

Meeting of SCBMF:

During the year under review, the SCBMF met Four (4) times on June 18, 2025, August 21, 2025, November 17, 2025 and February 12, 2026.

The details of the meetings of SCBMF attended by the members during FY 2025-26, are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. Krishna Prasad Nair	4	4
Mr. Vivek Karve	4	4
Mr. Baskar Babu Ramachandran	4	4
Mr. Hemant Shah	4	4

(xi) Board Committee for Review of Wilful Defaulters:

As per the RBI Master Directions RBI/DOR/2025-26/333 DOR.FIN.REC.No.252/20-16-003/2025-26 dated November 28, 2025, and basis the recommendation of the NRC, the Board of Directors of the Bank at its meeting held on December 12, 2024 has approved the Constitution of Board Committee for Review of Wilful Defaulters (**"RWD"**).

The Composition of RWD as of March 31, 2026, is given below:

Sr. No.	Name of Members	Designation
1.	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Chairperson
2.	Mr. John Arunkumar Diaz, Independent Director	Member
3.	Mrs. Swati Datye, Independent Director	Member
4.	Mr. Deepak Kumar Sharma, Independent Director	Member

Changes in Committee Composition post March 31, 2026: The Committee has been reconstituted, effective from May 29, 2026 wherein Mr. Deepak Kumar Sharma ceased to be member of the Committee.

The terms of reference of the RWD are as under:

1) The Identification Committee shall make a proposal to the Review Committee for classification as a wilful defaulter by explaining the reasons in writing.

2) The proposal of the Identification Committee along with the written representation received shall be considered by the Review Committee.

3) To review the recommendation of the 'Identification Committee' that identifies accounts to be reported as wilful default to comply with the regulatory guidelines. The Order shall become final only after it is confirmed by the Review Committee.

4) The Review Committee shall pass a reasoned order and the same shall be communicated to the wilful defaulter.

5) To review/ consider publication of the photographs of borrowers, including proprietors/ partners/ directors/ guarantors of borrower firms/ companies, who have been declared as wilful defaulters and Non-cooperative borrowers; and

6) To oversee the reporting of correct information to CICs and updation of List of Wilful Defaulters.

7) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Note:

The Audit Committee of the lender shall periodically review the cases of wilful default and recommend steps to be taken to prevent such occurrences and their early detection should these occur. The review shall focus on identifying root causes of wilful default and addressing deficiencies, if any, in the wilful defaulter classification process adopted by the lender.

Meetings of RWD:

During the year under review, the RWD met Three (3) times on July 23, 2025, November 18, 2025 and February 11, 2026.

The details of the meetings of RWD attended by the members during FY 2025-26, are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended during the year
Mr. Baskar Babu Ramachandran	3	3
Mr. Deepak Kumar Sharma	3	3
Mrs. Swati Datye	3	3
Mr. John Arunkumar Diaz	3	3

Investor Services

The Bank maintains continuous interaction with KFin Technologies Limited, Registrar to an Issue and Share Transfer Agent (**"RTA"**) and takes proactive steps and action for resolving complaints / queries of the shareholders and takes necessary initiatives in solving critical issues.

Further, the shareholders can lodge their complaints on the SEBI Complaints Redressal System (SCORES) and SMART ODR platform also, which are an online redressal system for investor grievances. The complaints received through the said platforms have also been resolved promptly by the RTA/Bank. This mechanism is available at https://suryoday.bank.in/ .

There were no investors complaints received and disposed-off during FY 2025-26. The Bank has not received dematerialization requests during the year under review.

Details of Investor Complaints received during the FY 2025-26:

Particulars	Shareholders	Debenture holders
No. of investor complaints pending as on April 01, 2025	0	0
No. of investor complaints received during FY 2025-26	0	0
No. of investor complaints disposed off during FY 2025-26	0	0
No. of investor complaints those remaining unresolved as on March 31, 2026	0	0

In compliance with the SEBI Listing Regulations, the statement of investor grievances was submitted to stock exchange on a quarterly basis.

For any assistance or request regarding transfer / transmission /dematerialisation of securities, non-receipt of annual report and any other query relating to the securities of the Bank, the investors may contact the RTA, KFin Technologies Limited at einward.ris@kfintech.com .

For any escalations, shareholders may write to the Bank at company.secretary@suryodaybank.com ; inv.relations@suryodaybank.com

Meeting of the Independent Directors

There were two (2) separate meetings of the Independent Directors of the Bank were held on May 06, 2025, and November 05, 2025.

All Independent Directors have attended the abovementioned meetings.

5. Particulars of Senior Management including the changes therein since the close of the previous Financial Year

a) Particulars of Senior Management as on March 31, 2026

Sr. No.	Name of Senior Management employees	Designation
1.	Mr. Baskar Babu Ramachandran	Managing Director & CEO (KMP)
2.	Mr. Hemant Shah	Executive Director (KMP)
3.	Mr. Kanishka Chaudhary	Chief Financial Officer (KMP)
4.	Mr. Krishna Kant Chaturvedi	Company Secretary & Compliance Officer (KMP)
5.	Mr. Senthil Kumar	Chief Business Officer – Inclusive Finance and Wheels
6.	Mr. Gaurav Pawra	Chief Business Officer - Retail Banking & Mortgages
7.	Mr. Sudhakar Mogera	Business Head - FIG, SCF & Partnership Business
8.	Mr. Yogesh Dixit	Chief Risk Officer
9.	Mr. Vishal Singh	Chief Information Officer and Head-Digital Banking
10.	Mr. Shankar Surendran	Chief Compliance Officer
11.	Ms. Radhika Vinay Gawde	Chief Credit Officer
12.	Mr. Pankaj Gulati	Chief People Officer & Head- CSR
13.	Mr. Gaurav Pravinbhai Popat	Chief Audit Officer
14.	Mr. Sasidhar Vavilala	EVP - Business Intelligence & Analytics
15.	Mr. Anand Balaji K	Head - Micro Mortgages & Administration
16.	Mr. Upendra Rajanikant Chitre	Head - Customer Experience & Liability Partnerships
17.	Mr. Karthik Krishnan	Head- Treasury - Front Office
18.	Mr. Sudheer Kamble	Chief of Internal Vigilance
19.	Mr. Sumeet N. Mishra	Chief Information Security Officer

During the FY 2025-26, following were the changes in the Senior Management of the Bank:

Sr. No.	Name of Employee	Designation	Date of Change	Type of Change
1.	Ms. Meenaa Sharma	EVP- Special Projects, Chief People Officer & Head – CSR	August 20, 2025	Cessation
2.	Mr. Pandurang Gopinathrao Dixit	Chief Internal Vigilance (CIV)	September 30, 2025	Completed his term as CIV in accordance with RBI Regulations, therefore transferred to another Role within the Bank
3.	Mr. Himanshu Mishra	Chief Business Officer - Retail Banking	April 15, 2025	Cessation
4.	Ms. Vibha Dilip Gawde	Chief Audit Officer	May 31, 2025	Retirement
5.	Mr. R. Mohan	Chief Legal Officer	May 31, 2025	Cessation
6.	Mr. Anshuman Prabhakarrao Pund	Chief Information Security Officer	November 10, 2025	Cessation
7.	Mr. Pankaj Gulati	Chief People Officer & Head- CSR	October 23, 2025	Appointment
8.	Mr. Upendra Rajanikant Chitre	Head - Customer Experience & Liability Partnerships	June 4, 2025	Appointment
9.	Mr. Yogesh Dixit	Chief Risk Officer	from April 01, 2026, to March 31, 2027	Re-appointment
10.	Mr. Gaurav Pravinbhai Popat	Chief Audit Officer*	from June 01, 2025 to May 31, 2028	Appointment
11.	Mr. Sumeet Narendra Mishra	Chief Information Security Officer	November 11, 2025	Appointment

* Also took additional charge as Interim CIV from October 1, 2025 till March 01, 2026.

6. REMUNERATION OF DIRECTORS

i) Compensation Policy:

As per the provisions of sub-section (3) of Section 178 of the Act, the Bank has a Policy on appointment of Directors and Senior Management employees which includes formulating criteria for determining qualifications, attributes and independence of a Director. The Board has, in accordance with the RBI guidelines on compensation, formulated the Compensation Policy which became effective in FY 2020-21, which has been amended from time to time and available on the website of the Bank at https://suryoday.bank.in/assets/pdf/policies/suryoday-compensation-policy-fy25-26-1.0.pdf.

The Compensation Policy institutes a mechanism for alignment of compensation of Whole-time Directors, Chief Executive Officer, Material Risk Takers, Control Function Staff, and other senior managerial personnel with the extent of risks taken. The Policy also establishes standards on compensation including fixed and variable, which are in alignment with the applicable rules and regulations including the RBI guidelines in this regard and which is based on the trends and practices of remuneration prevailing in the banking industry.

ii) Remuneration paid to the Executive Directors:

Remuneration of the Managing Director & CEO comprises of basic salary, special allowance, perquisites and retiral benefits as may be approved by the Board, the shareholders and the RBI and performance incentive / variable pay, as may be approved by the Board and the RBI.

a. Details of Remuneration paid to the Managing Director & CEO in FY 2025-26:

Fixed Remuneration (including allowances) for FY-2025-26 (₹)[in Lakhs]	Retirals: Contribution to Provident fund and Gratuity (₹)[in Lakhs]	Perquisites in cash or kind (₹) [in Lakhs]	Total Fixed Remuneration (₹) [in Lakhs]
187.91	16.09	0	204

The Shareholders at 16th AGM had approved Fixed Remuneration of amounting of ₹ 225 Lakhs (inclusive of retirals and perquisites) p.a., of which, RBI approved ₹ 204 Lakhs (inclusive of retirals and perquisites) p.a. for FY 2024-25.

Variable Pay of ₹ 130 Lakhs was approved by RBI for FY'24-25, payable on deferral basis as per Compensation Policy of the Bank.

Mr. Baskar Babu Ramachandran holds 55,51,911 Equity shares in the Bank as on March 31, 2026. Being a Promoter Director, he is not eligible for grant of any stock options. He purchased 50,000 Equity shares on March 18, 2026, as per the Trading Plan submitted with the Stock Exchanges on November 13, 2025, pursuant to applicable Regulation(s) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Post this transaction, as on March 31, 2026, his individual holding stands at 55,51,911 Equity shares (5.22%).

b. Details of remuneration paid to the Executive Director in FY 2025-26:

Fixed Remuneration (including allowances) for FY-2025-26 (₹)[in Lakhs]	Retirals: Contribution to Provident fund and Gratuity (₹)[in Lakhs]	Perquisites in cash or kind (₹) [in Lakhs]	Total Fixed Remuneration (₹) [in Lakhs]
161.20	13.80	0	175

iii) Remuneration to Non-Executive Directors:

All the non-executive directors including the Independent Directors receive sitting fees for each meeting of the Board and Board's Committees. No stock options are granted to any of the Non-Executive Directors.

Details of sitting fees paid to Non-Executive Directors during FY 2025-26 are given below:

Name of Directors	Sitting Fees paid for meetings attended during FY 2025-26 (₹ in Lakhs)
Mr. Krishna Prasad Nair, Part-time Chairperson and Independent Director	28.1
Mr. John Arunkumar Diaz, Independent Director	29.9
Mrs. Swati Datye, Independent Director	20.6
Mr. Deepak Kumar Sharma, Independent Director	26.6
Mr. Vivek Karve, Independent Director	18.5
Mr. Sunil Satyapal Gulati, Independent Director	0.75
Mr. Alok Sethi, Independent Director	0.75
Mr. Ranjit Shah*, Investor Director	0

* Mr. Ranjit Shah, Investor Director, has waived the sitting fees payable to him.

7. GENERAL BODY MEETINGS

a) Details of last three Annual General Meetings:

The day, date, time, and venue of the Annual General Meetings (**"AGMs"**) held during the last three financial years, and the special resolution(s) passed thereat by e-voting and poll are as follows:

Sr. No.	Particulars	Day and Date	Time	Location	Special Resolutions passed
1.	15th AGM of the Bank	Thursday, September 14, 2023	4:30 p.m. IST	Through VC / OAVM pursuant to Circular issued by MCA and SEBI	1) To approve the alteration of the Capital Clause in the Memorandum of Association of the Bank. 2) To approve the increase in the borrowing limit of the Bank up to ₹ 6,000 Crores under Section 180 (1)(c) of the Companies Act, 2013. 3) To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2023-24.

Sr. No.	Particulars	Day and Date	Time	Location	Special Resolutions passed
2.	16th AGM of the Bank	Thursday, September 12, 2024	3:30 p.m. IST	Through VC / OAVM pursuant to Circular issued by MCA and SEBI	1) To re-appoint Mr. John Arunkumar Diaz (DIN: 00493304) as an Independent Director of the Bank. 2) To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2024-25. 3) To approve the proposed modifications in the Suryoday ESOP Scheme 2019.
3.	17th AGM of the Bank	Thursday, September 11, 2025	3:30 p.m. IST	Through VC / OAVM pursuant to Circular issued by MCA and SEBI	1) To approve the re-appointment of Mr. Baskar Babu Ramachandran (DIN: 02303132) as Managing Director & Chief Executive Officer of the Bank. 2) To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2025-26.

b) During the year under review, there were no Extra Ordinary General Meeting were held.

c) Whether any Special Resolutions passed last year through postal ballot: Yes

d) Details of Postal Ballot(s) conducted during FY 2025-26 and Procedure followed

The postal ballot process was conducted in accordance with the provisions of Section 110 and Section 108 of the Act read with Rule 22 and Rule 20 of the Companies (Management & Administration) Rules, 2014 and the Circulars issued by MCA and SEBI, from time to time in this regard.

MCA vide its circulars has permitted companies to conduct postal ballots by sending the notice in electronic form. Accordingly, physical copies of the notice along with postal ballot form and pre-paid business reply envelopes were not sent to the members for the postal ballots conducted during the year. Members were requested to convey their assent or dissent through remote e-voting only. Copies of the postal ballot notice were hosted on the website of the Bank, websites of the stock exchanges (i.e., BSE Limited and National Stock Exchange of India Limited) at www.bseindia.com and www.nseindia.com, respectively, and on the website of Bank's e-voting agency i.e., KFin Technologies Limited at www.kfintech.com. An advertisement was also published in the newspapers informing about completion of dispatch of the postal ballot notice and other details.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

During the FY 2025-26, the Bank had conducted two (2) Postal Ballot processes as per the details given below:

For the first Postal Ballot process conducted during March'25-April'25, the Bank had appointed Mr. Tushar Shridharani, Practising Company Secretary (FCS No. 2690 & C.P No.: 2190), Mumbai and failing him, Ms. Nandini Parikh, Practising Company Secretary (FCS No. 6240 & C.P No.: 5760), as the Scrutinizer, to scrutinize the remote e-voting process.

For the second Postal Ballot process conducted during January'26 – February'26, the Bank had appointed Ms. Dhara Gala, Practicing Company Secretary (ACS – 61949/ COP 26125), Mumbai, and on failing her, Ms. Priyanka Tank, Practicing Company Secretary (ACS-61276/ COP-24520), as the Scrutinizer, to scrutinize the remote e-voting process.

The Bank has appointed aforesaid Scrutinizers for conducting the Postal Ballot process in a fair and transparent manner.

The Scrutinizers submitted their respective reports to Mr. Krishna Prasad Nair, Part-time Chairman of the Bank and Mr. Baskar Babu Ramachandran, Managing Director & CEO of the Bank and the results of the voting were disclosed to the stock exchanges, were published on the websites of the Bank and of the e-voting agency and were also displayed at the registered office.

Pursuant to the aforesaid provisions/ rules/ circulars issued by MCA and SEBI, the Bank has received shareholders' approval by passing the following Special Resolutions on April 15, 2025 and February 28, 2026:

Date of Postal Ballot Notice	Scrutinizer	Date of Approval	Link for Postal Ballot Notice and Results	Special Resolutions passed through Postal Ballot	No. of Votes in Favour	No. of Votes Against	% of Votes in Favour	% of Votes Against
March 06, 2025	Mr. Tushar Shridharani, Practicing Company Secretary (Membership No. FCS 2690 and Certificate of Practice No. 2190)	April 15, 2025	https://suryoday.bank.in/assets/pdf/SSFB-Postal-Ballot-Notice-March-06-2025.pdf https://suryoday.bank.in/assets/pdf/ssfb-results-evoting-postal-ballot.pdf	To approve the appointment of Mr. Vivek Anant Karve (DIN: 06840707) as an Independent Director of the Bank.	3,61,31,205	7,683	99.9787	0.0213
January 22, 2026*	Ms. Dhara Gala, Practicing Company Secretary (ACS – 61949/ COP 26125)	February 28, 2026	https://suryoday.bank.in/assets/pdf/suryoday-sfb-postal-ballot-notice-2026.pdf https://suryoday.bank.in/assets/pdf/ssfb-voting-results-postal-ballot-along-with-scrutiniser-report.pdf	To consider and approve the re-appointment of Mr. Krishna Prasad Nair (DIN: 02611496) as a Non-Executive Independent Director on the Board of the Bank, post completion of his first term on July 21, 2026, for further period of 3 years.	5,30,96,275	1,71,239	99.6785	0.3215
May 07, 2026**	Ms. Dhara Gala, Practicing Company Secretary (ACS – 61949/ COP 26125)	June 08, 2026	https://suryoday.bank.in/assets/pdf/suryoday-sfb-postal-ballot-notice-may-2026.pdf https://suryoday.bank.in/assets/pdf/intimation-ssfb-voting-results-postal-ballot-scrutiniser-report-sd.pdf	1) To approve the appointment of Mr. Sunil Satyapal Gulati (DIN: 00016990) as an Independent Director of the Bank, to hold office for a period of Five (5) consecutive years effective from March 12, 2026 to March 11, 2031 (both days inclusive).	4,06,08,433	5,710	99.9859	0.0141
				2) To approve the appointment of Mr. Alok Sethi (DIN: 00277481) as an Independent Director of the Bank, to hold office for a period of Five (5) consecutive years effective from March 12, 2026 to March 11, 2031 (both days inclusive).	4,06,08,530	5,622	99.9862	0.0138

*Note: The Bank had also moved a Special Resolution for seeking approval of the Members of the Bank for Raising of Funds for an aggregate amount not exceeding ₹1,000 Crores (Rupees One Thousand Crore Only) through issue of Equity Shares, equity linked securities, warrants, and / or any other eligible securities by way of Preferential Allotment, Qualified Institutions Placement (**"QIP"**) or Private Placement or through Rights Issue or any other permissible mode(s) and / or combination thereof, received 60.51% votes in favour as against prescribed requirement of 75% (being a Special Resolution). Therefore, in accordance with the applicable Rules/ Regulations, the said resolution was not passed with requisite majority by the Members of the Bank as on Saturday, February 28, 2026, being the last date for remote e-voting.

**The Bank has conducted Postal Ballot process during the month of May'26 also and has appointed Ms. Dhara Gala, Practicing Company Secretary (ACS – 61949/ COP 26125), Mumbai, and on failing her, Ms. Priyanka Tank, Practicing Company Secretary (ACS-61276/ COP-24520), as the Scrutinizer, to scrutinize the remote e-voting process in a fair and transparent manner.

8. MEANS OF COMMUNICATION

The Bank has provided timely and adequate information in transparent manner to its members through the Stock Exchanges and hosting of the information/ disclosures on the website of the Bank simultaneously.

Further, the unaudited and audited financial results, after approval by the Board, are disclosed to the Stock Exchanges as per the requirements of the SEBI Listing Regulations and are also published in one English and one Regional language (Marathi) newspapers viz. Business Standard and Mumbai Lakshdweep respectively and also displayed on the Bank's website at https://suryoday.bank.in/investor-corner/#disclosure-to-stock-exchanges.

The Presentations made by the management to Institutional Investors/Analysts/Media are uploaded on the Bank's website at https://suryoday.bank.in/investor-corner/#disclosure-to-stock-exchanges.

The Bank's website https://suryoday.bank.in/ contains a separate "Disclosures to Stock Exchanges" Section wherein financial results, corporate announcements, reports and presentations, Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other disclosures are made available. The Bank send various communication such as notice calling general meeting/postal ballot notice, and Annual Report to the email ids of the shareholders registered with the depositories.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting of the Bank: Date, Time, Venue	Thursday, August 06, 2026 from 12:30 P.M. (IST). Through video Conferencing/ Other audio-visual means
Financial Year	April 01 to March 31
Names and addresses of Stock Exchange where Equity Shares of the Bank are listed and Stock Code and confirmation on payment of Listing fees	**1) National Stock Exchange of India Limited ("NSE")** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Stock Code: SURYODAY **2) BSE Limited ("BSE")** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001 Stock Code: 543279 The Equity Shares of the Bank are listed on the aforesaid Stock Exchanges with effect from March 26, 2021, and the annual listing fees for FY 2025-26 have been paid. The securities of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory/ Statutory Authority.
CIN	L65923MH2008PLC261472
Date of Incorporation	November 10, 2008
ISIN	INE428Q01011
Depositories	1) National Securities Depository Limited (**"NSDL"**) 2) Central Depository Services (India) Limited (**"CDSL"**)
Payment of Dividend – FY 2025-26	Dividend Amount: ₹ 1.50 per Equity Share Record Date: July 17, 2026 Dividend Payment Date: The dividend, if approved, will be paid within 30 days from the date of the 18th AGM i.e. on or before September 05, 2026
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	None
Listing of Debt securities of the Bank	The debt securities of the Bank (Non-Convertible Debentures) are listed on the Wholesale Debt Segment of the BSE Ltd., the Security Code being 960033.

Name and addresses of Debenture Trustee	**Beacon Trusteeship Limited** 5W, 5th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400 051 Phone No: 022-4606 0278 Toll Free No. 9555449955 Email: compliance1@beacontrustee.co.in
Registrar to an Issue and Share Transfer Agent for Equity Shares and Non-Convertible Debentures	**KFin Technologies Limited** Unit: Suryoday Small Finance Bank Limited Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telegana–500 032, India Phone No: 040-6716 2222; Fax No.: 040 -23001153 Toll Free No. 1- 800-309-4001 Email: einward.ris@kfintech.com
Dematerialisation of shares and liquidity	The equity shares of the Bank are available for trading in the dematerialised form under both the depositories in India - NSDL and CDSL. Trading in Bank's equity shares can be done only in the dematerialised form. Position of Equity shares as on March 31, 2026:

Sr. No.	Description	Number of Equity Shares	% to Equity Share Capital
1	NSDL	7,55,57,609	71.086
2	CDSL	3,07,30,524	28.912
3	Physical	1,691	0.002
Total		**10,62,89,824**	**100.000**

Over 99.99 percent of the Equity Shares of the Bank are in dematerialized form and transfer of these shares is carried out through the Depositories without the involvement of the Bank.

With respect to shares held in physical form, no request for transfer of shares is processed by the Bank. Such shareholders are requested to get their shares dematerialized.

SEBI Complaints redressal systems (SCORES):	The Bank is registered with SEBI Complaints redressal systems (SCORES).
Distribution of shareholdings	**Details provided below**
Demat Suspense Account	During the year under review, no such transfer was made to Demat Suspense Account.
Details of credit ratings	The details of all credit ratings obtained by the Bank for all debt instruments are furnished in the Board's Report.
Address for correspondence	Company Secretary and Compliance Officer Registered Office: 1101, Sharda Terraces, Plot. 65, Sector 11, CBD Belapur, Navi Mumbai – 400614, Maharashtra Corporate Office: 7th Floor, Seawoods Grand Central, Tower No. 1, Plot No. R-1, Sector 40, Seawoods, Navi Mumbai – 400 706
Shareholders' Helpdesk:	Dedicated email id for Shareholders' queries/grievances: company.secretary@suryodaybank.com Dedicated email id for Investors' queries /grievances: inv.relations@suryodaybank.com
Banking Customer Helpdesk	In the event of any queries/complaints, banking customers can directly approach to the Branches or can call/write to the Bank using the following contact details of Smile Centre Call: Customer care (Phone Banking) Numbers: 1800 266 7711 or Write to smile@suryodaybank.com

Distribution of shareholding as on March 31, 2026

Sl. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	94058	98.98	17033455	16.03
2	5001 - 10000	475	0.50	3464318	3.26
3	10001 - 20000	217	0.23	3073643	2.89
4	20001 - 30000	85	0.09	2110544	1.99
5	30001 - 40000	35	0.04	1225175	1.15
6	40001 - 50000	33	0.03	1507772	1.42
7	50001 - 100000	31	0.03	2119513	1.99
8	100001 & Above	92	0.10	75755404	71.27
	TOTAL	**95026**	**100.00**	**106289824**	**100.00**

Shareholding pattern as on March 31, 2026

Sl. No.	Category and name of shareholder	No. of fully paid up equity shares held	%
A	**Promoter & Promoter Group**		
A1	**Indian**		
a	Individuals/Hindu undivided Family [Promoter]	12051398	11.34
b	Central Government/ State Government(s)	0	0.00
c	Financial Institutions/ Banks	0	0.00
d	Any Other (specify) [Promoter Group]	11845196	11.14
	Sub-Total (A)(1)	**23896594**	**22.48**
A2	**Foreign**		
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0.00
b	Government	0	0.00
c	Institutions	0	0.00
d	Foreign Portfolio Investor	0	0.00
e	Any Other (specify)	0	0.00
	Sub-Total (A)(2)	**23896594**	**22.48**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**23896594**	**22.48**
B	**Non-Promoters' holding or Public shareholder**		
B1	**Institutions (Domestic)**		
a	Mutual Funds	1674643	1.58
b	Venture Capital Funds	0	0.00
c	Alternate Investment Funds	564710	0.53
d	Banks	300	0.00
e	Insurance Companies	3835027	3.61
f	Provident Funds/ Pension Funds	0	0.00
g	Asset Reconstruction Companies	0	0.00
h	Sovereign Wealth Funds	0	0.00
i	NBFC Registered with RBI	1450	0.00
j	Other Financial Institutions	0	0.00
k	Any Other	0	0.00
	Sub-Total (B)(1)	**6076130**	**5.72**
B2	**Institutions (Foreign)**		
a	Foreign Direct Investment	0	0.00
b	Foreign Venture Capital	0	0.00
c	Sovereign Wealth Funds	0	0.00
d	Foreign Portfolio Investors Category I	884784	0.83
e	Foreign Portfolio Investors Category II	4678504	4.4
f	Overseas Depositories (holding DRs)	0	0.00
g	Any Other	0	0.00
	Sub-Total (B)(2)	**5563288**	**5.23**
B3	**Central Government/State Government(s)/President of India**		
a	Central Government / President of India	0	0.00
b	State Government / Governor	0	0.00
c	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0.00
	Sub-Total (B)(3)	**0**	**0.00**
B4	**Non-institutions**		
a	Associate companies / Subsidiaries	0	0.00
b	Directors and their relatives (excluding independent directors and nominee directors)	0	0.00

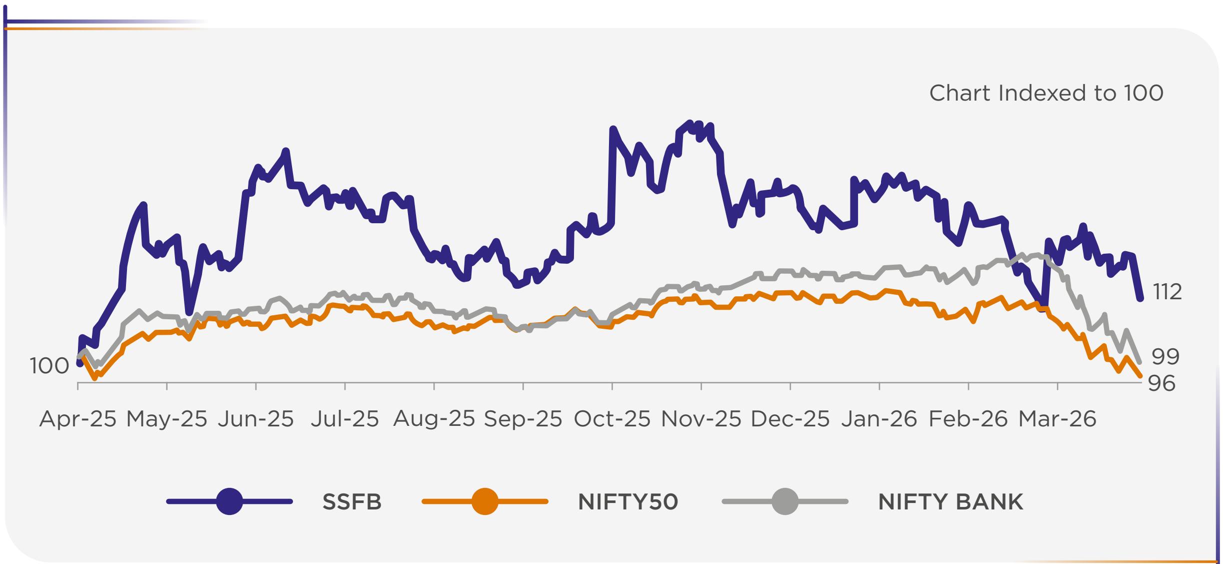
Sl. No.	Category and name of shareholder	No. of fully paid up equity shares held	%
c	Key Managerial Personnel	2000	0.00
d	Relatives of promoters (other than immediate relatives of promoters disclosed under Promoter and Promoter Group category)	0	0.00
e	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0.00
f	Investor Education and Protection Fund (IEPF)	0	0.00
g	Resident Individuals holding nominal share capital up to ₹ 2 lakhs	21137538	19.89
h	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	21041593	19.8
i	Non-Resident Indians (NRIs)	1738241	1.64
j	Foreign Nationals	0	0.00
k	Foreign Companies	18135521	17.06
l	Bodies Corporate	7438426	7
m	Any Other	1260493	1.19
	Sub-Total (B)(4)	**70753812**	**66.58**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)	**82393230**	**77.53**
	Total (A+B)	**106289824**	**100.00**

Market price Data: High, Low during each month in last financial year

Month and Year	BSE			NSE		
	High (₹)	Low (₹)	Volume (000's)	High (₹)	Low (₹)	Volume (000's)
Apr-25	139.9	90.0	639.0	139.9	100.0	7,781.1
May-25	142.7	111.0	559.0	142.7	111.0	7,005.8
Jun-25	151.7	135.9	1,068.1	151.8	135.9	6,139.6
Jul-25	145.0	123.6	466.6	144.9	123.5	4,687.0
Aug-25	132.2	121.0	182.1	132.3	121.0	1,677.3
Sep-25	146.0	121.2	264.8	138.2	120.6	3,098.6
Oct-25	161.0	138.1	2,598.1	161.5	139.4	28,928.0
Nov-25	159.8	129.8	388.4	159.9	128.2	8,689.1
Dec-25	147.9	130.1	239.9	147.8	130.0	4,223.9
Jan-26	150.1	128.3	251.5	149.9	129.5	5,343.8
Feb-26	141.7	115.3	316.6	138.4	115.4	6,921.7
Mar-26	136.9	118.4	323.2	136.9	118.3	7,622.6

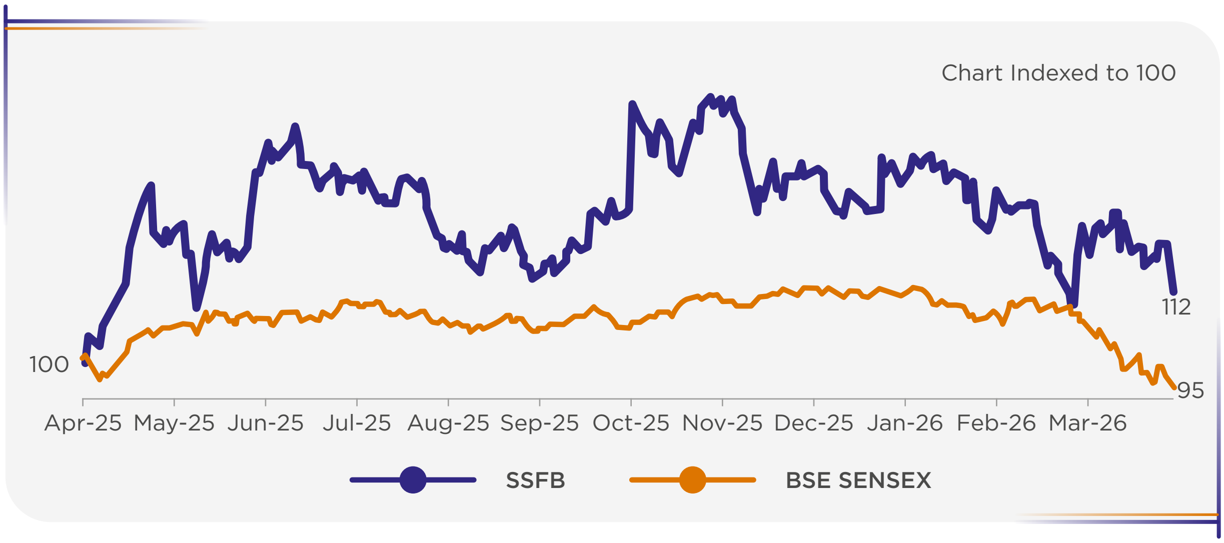
Performance of the Bank's Equity shares as compared with indices:

A) SSFB via-a-vis NIFTY – FY 2025-26



Particulars	Market Cap as on 30th March 2026 (₹ Cr)	30-Mar-26	01-Apr-25	% Change
Suryoday Small Finance Bank Ltd.	1,262.19	118.75	105.95	12%
NIFTY 50		22,331.40	23,165.70	-4%
NIFTY BANK		50,275.35	50,827.50	-1%

B) SSFB via-a vis SENSEX- FY 2025-26



Particulars	Market Cap as on 30th March 2026 (₹ Cr)	30-Mar-26	01-Apr-25	% Change
Suryoday Small Finance Bank Ltd.	1,262.19	118.75	105.95	12%
S&P BSE SENSEX		71,947.55	76,024.51	-5%

Share transfer system

As mandated by SEBI, securities of the Bank can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. Further, the shareholders holding shares in physical form are requested to avail the facility of dematerialisation. The Bank's shares are traded under compulsory dematerialised mode.

Board Diversity

The Bank believes that Board diversity plays a very important role in the transparency and in the decision-making process in the Boardroom. The Bank has formulated and implemented Policy to Promote Diversity of Board of Director to comply with the Regulation 19(4) read with Part D of SEBI Listing Regulations and other applicable circulars / guidelines issued by RBI.

The objective of this Policy is to provide a framework and set standards for having a diversified Board which would facilitate better decision making leveraging different qualifications, skills, knowledge, and experience of the Board members and offering broader perspectives that are directly relevant to the business.

The Bank further believes that a diversified Board enhances board effectiveness and contributes towards driving business results, making corporate governance more effective, enhancing the quality and decision-making capability, ensuring sustainable development, and enhancing the reputation of the Bank.

The Board Diversity Policy is available on the website of the Bank at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-policy-to-promote-diversity-of-board-of-directors-fy-26-27-1.0.pdf

Succession Planning

Succession planning is an effective tool for any organization to ensure smooth succession generally across employees of all levels and specifically with members of the Board and senior management personnel without affecting the current roles and responsibilities and facilitating leadership and management continuity. Succession planning involves identification and assessment of potential and developing the next generation of leaders to assume higher responsibilities and key leadership roles in the Bank.

In terms of SEBI Listing Regulations and other applicable circulars / guidelines issued by RBI, the Bank has formulated Policy on Succession Planning for the Managing Director/Whole-time/Executive directors, Non-executive directors, Independent directors and other members of the Board and senior management personnel of the Bank.

The Policy on Succession Planning is available on the website of the Bank at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-policy-on-succession-planning-fy26-27-1.0.pdf

Plant Locations

Being a Banking Company, the Bank operates its business through a network of 717 Branches. The details of the Branch Addresses are available on the website of the Bank at:- https://suryoday.bank.in/

10. OTHER DISCLOSURES

a) Related Party transactions

The Bank has a Board-approved Policy to deal with related party transactions and the same has been uploaded on the Bank's website at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-related-party-transaction-policy-fy-26-27-1.0.pdf

During the year, there were no related party transactions undertaken by the Bank.

b) Strictures and Penalties for last three financial years

i. Penalty(ies) by the Stock Exchange(s) /SEBI or other Statutory Authorities:

No penalties or strictures have been imposed on the Bank by the Stock Exchange(s)/SEBI or any other statutory authorities on matters relating to capital market during the last three years.

However, during FY 2024-25, the Metropolitan Magistrate, 42nd Court, Shindewadi, Mumbai, vide its Order served on the Bank dated May 15, 2024, has ordered to pay fine of ₹ 20,000/- (Rupees Twenty Thousand only) for default in compliance of the provisions of Section 36A(1) Rule 35 p/u 29- 31 of Maharashtra Shops and Establishment Act, regarding not printing the Name Board of one of the Branch of the Bank at Mulund in Marathi language in Devnagari script.

ii. Penalty(ies) by RBI:

During FY 2023-24, the RBI had imposed a monetary penalty of ₹ 10,000/- (Rupees Ten Thousand) for not extending the exchange facilities for the soiled/mutilated notes by one of the Branch of the Bank to the non-customers as prescribed by RBI vide RBI Master Direction No. RBI/2023-24/97 DCM (NE) No. G-2/08.07.18/2023-24 dated April 3, 2023. The said penalty is as per the provisions contained in RBI Master Direction RBI/2023-24/04 DCM (CC) G-3/03.44.01/2023-24 dated April 03, 2023 updated from time to time on "Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of the public".

During FY 2025-26, the Public Debt Office (MRO), RBI, had imposed monetary penalty of ₹2,00,000/- (Rupees Two Lakhs only) on the Bank for SGL bouncing in the current financial year in terms of RBI Circular IDMD. DOD.17/11.01.01 (B) 2010-11 dated July 14, 2010. There is no impact on the operations of the Bank, financially or otherwise, due to this incident.

c) Vigil Mechanism / Whistle Blower Policy

In line with the provisions of SEBI Listing Regulations, the Act and the principles of good governance, the Bank has devised and implemented a vigil mechanism. The Bank has a Board approved Whistle Blower Policy which has been uploaded on Bank's website at:- https://suryoday.bank.in/assets/pdf/policies/suryoday-whistle-blower-policy-fy26-27-1.0.pdf and details of the vigil mechanism are furnished in the Board's Report. No person has been denied access to the Audit Committee.

d) Compliance with Mandatory Requirements of the SEBI Listing Regulations and Adoption of Non-mandatory requirements of the SEBI Listing Regulations

I. Compliance with Mandatory Requirements of SEBI Listing Regulations

The Bank has complied with all applicable mandatory requirements of the Code of Corporate Governance as per the SEBI Listing Regulations.

II. Adoption of non-mandatory requirements of the SEBI Listing Regulations (Discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations)

A. The Board

i. The Bank maintains the expenses relating to the office of the Non-Executive Part-time Chairperson and reimburses all the expenses incurred in performance of his duties.

ii. The Bank acknowledges its position among the listed entities ranked from 1001 to 2000 based on market capitalization, as determined by recognized stock exchanges in accordance with Regulation 3(2) SEBI Listing Regulations. In accordance with the requirements of SEBI Listing Regulation and the Companies Act, 2013, the Bank has appointed a woman independent director on the Board of the Bank.

B. Shareholders' Rights

Apart from the quarterly update on the financial performance, the Bank also provides detailed update in form of Investor presentation for information of the shareholders.

The Bank also publishes its financial results, investors' presentations, call transcripts and Press releases every quarter and also when there is any investor event, on its website at https://suryoday.bank.in/ which is accessible to the public at large.

C. Modified opinion(s) in audit report

The financial statements of the Bank for FY 2025-26 are with unmodified audit opinion.

D. Separate posts of Chairperson and Managing Director/ Chief Executive Officer

The Bank has a non-executive Part-time Chairperson in terms of the provisions of the BR Act and his office is separate from the office of the Managing Director & CEO and the appointment of both the Chairperson and the Managing Director & CEO, is approved by RBI pursuant to the provisions of the BR Act.

Further, the Chairperson of the Bank is not related to the Managing Director & CEO of the Bank as per the definition of the term "relative" defined under the Act.

E. Reporting of Internal Auditor

The Chief Audit Officer of the Bank reports directly to the Audit Committee of the Board.

F. Independent Directors

The Bank has complied with the provisions of SEBI Listing Regulations with respect to conducting of two (2) separate meetings of the Independent Directors of the Bank without the presence of the non-Independent Directors and members of the management of the Bank. During the year under review, there were Two (2) separate meetings of the Independent Directors held on May 06, 2025, and November 05, 2025, wherein all the Independent Directors of the Bank were present.

G. Risk Management

The Bank has complied with the provisions of SEBI Listing Regulations with respect to constitution of Risk Management Committee of the Board (**"RMCB"**). The Bank had constituted RMCB with effect from March 29, 2017, as per the requirements mentioned in accordance with the Regulation 21 of the SEBI Listing Regulations and BR Act read with relevant RBI Circular thereon amended from time to time pertaining to composition, roles and responsibilities.

e) Web link where policy for determining 'material' subsidiaries is disclosed

The Bank does not have subsidiaries.

f) Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The Bank does not transact in foreign exchange, does not have exposure to lending against commodities and does not undertake hedging activities. The Bank is not exposed to foreign exchange risk, commodity price risk and risk from hedging activities.

g) Details of utilisation of funds raised through preferential allotment or qualified institutional placement

During the year under review, the Bank has not raised any funds through preferential allotment as specified under Regulation 32(7A) of the SEBI Listing Regulations.

h) Certificate under Regulation 34(3) of SEBI Listing Regulations

The Bank has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, from Tushar Shridharani & Associates LLP, Practicing Company Secretaries, LLPIN - ACL-9350, (FCS 2690 / COP 2190), Peer Review Certificate No.: 6670/2025, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the MCA or any other Statutory Authorities. The said certificate forms part of Board's report.

i) Total fees for all services paid by the Bank to the Statutory Auditors for FY 2025-26 are detailed below:

Sr. No.	Particulars	Amount (₹)
1	Audit fees	85,00,000
2	Fees for certification and other attestation services	-
3	Non-Audit Fees (Fees for certification and other attestation services)	-
4	Tax audit fees	5,00,000
	Total	**90,00,000**

Note - The above table does not include any out-of-pocket expense.

j) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Disclosures are furnished in the Board's Report.

Particulars	No. of Complaints
Number of Complaints carries forward from last year (FY'25)	0
Number of Complaints filed during the Financial Year (FY'26)	0
Number of Complaints disposed of during the Financial Year (FY'26)	0
Number of Complaints pending as on the end of the Financial Year (FY'26)	0

The Policy on Prevention of Sexual Harassment has been uploaded on Bank's website at:-

https://suryoday.bank.in/assets/pdf/policies/suryoday-policy-on-prevention-of-sexual-harassment-fy-25-26-1.0.pdf

k) Familiarisation Programme for Independent Directors

The Bank's Independent Directors are eminent professionals and career bankers with an average experience of more than Three (3) decades in Banking and finance sector, technology, financial services, governance, and management areas and having expertise of the banking business. The familiarisation programme includes internal Induction session for new Directors, familiarisation/ knowledge session on banking business and various presentations by the respective Business owners / Functional Heads of the Bank, and external Training cum Certification programmes being conducted by Institute for Development and Research in Banking Technology (**"IDRBT"**), Centre For Advanced Financial Research And Learning (**"CAFRAL"**), Reserve Bank of India (**"RBI"**), Klynveld Peat Marwick Goerdeler (**"KPMG"**), Indian Institute of Corporate Affairs (**"IICA"**) and other programmes relevant to business and governance of the Bank, knowledge session with subject matters experts and update on recent regulatory changes at regular intervals.

The Independent Directors of the Bank have attended various programs conducted online or in physical mode by CAFRAL, IDRBT, RBI, KPMG, IICA and other organisations. They have also attended programs organised by the management team of the Bank. The details of the programs attended by the Independent Directors is provided in the website of the Bank at:- https://suryoday.bank.in/assets/pdf/policies/ssfb-familiarization-programmes-independent-directors.pdf

l) Board's Evaluation Process

The Bank has put in place a mechanism for performance evaluation of the Directors (including the Independent Directors, the Chairman, the MD & CEO and the Executive Director), Board Level Committees and the Board as a whole. The details of the same is included in the Board's Report.

m) In terms of Schedule V of the SEBI Listing Regulations and the BR Act/Circulars/Directions issued by RBI from time to time, the details of core skills / expertise / competencies, identified by the Board as required in the context of the Bank's businesses and sector(s) for it to function effectively and those actually available with the Board, are as follows

I. Accountancy,

II. Agriculture and Rural Economy,

III. Banking,

IV. Co-operation,

V. Economics,

VI. Finance,

VII. Law,

VIII. Small-Scale Industry,

IX. Information Technology,

X. Payment & Settlement Systems,

XI. Human Resources,

XII. Risk Management,

XIII. Business Management and

XIV. Any other matter the special knowledge of, and practical experience in, which would, in the opinion of the RBI, be useful to the Bank's Business / Sectors:

Sr. No.	Name	Designation	Expertise
1.	Mr. Krishna Prasad Nair	Non-Executive Part-time Chairperson and Independent Director	Retail Banking, Corporate Banking, NPA Management, Human Resources, Information Technology and Administration & Facilities Management
2.	Mr. John Arunkumar Diaz	Independent Director	Agriculture and Rural Economy, Banking, Finance, Small Scale industry, healthcare and distribution, Manufacturing
3.	Mrs. Swati Datye	Independent Director	Human Resource & Operations, talent acquisition, talent assessment, Leadership Mentoring Programs, POSH, Banking, Finance
4.	Mr. Deepak Kumar Sharma	Independent Director	Information Technology, including Digital Platforms, Product Engineering, Design, Mobile Apps, Digital Bank-811, Digital Transformation, Banking and Telecom, Services
5.	Mr. Ranjit Shah	Investor Director	Business Management, Information Technology, consumer, finance, Infrastructure
6.	Mr. Vivek Karve	Independent Director	Finance, Accountancy, Banking, Risk Management, Business Management
7.	Mr. Sunil Satyapal Gulati	Independent Director	Investment Banking, Corporate Finance, Relationship Management, Risk Management and Corporate Strategy
8.	Mr. Alok Sethi	Independent Director	Asset Management operations, Technology, Governance, Large scale transformation, Fund governance, Risk Management and Strategic Transformation
9.	Mr. Baskar Babu Ramachandran	Managing Director and Chief Executive Officer	Rural Economy, Banking, Small Scale Industry, Business Management, Finance, Engineering, Risk Management
10.	Mr. Hemant Shah	Whole-time Director (Executive Director)	Banking Operations, Risk Portfolio, Business Solutions Group and Governance Functions, Retail Operations, Compliance, Data Management, Risk Management, Business Solutions

Brief profile of the Directors of the Bank has been uploaded on the website of the Bank at https://suryoday.bank.in/about-us/#meet-the-team

n) Terms and Conditions for Appointment of Independent Directors

A formal Letter of Appointment is addressed to the Independent Director(s) at the time of their appointment. The terms and conditions of Appointment of Independent Directors have been disclosed on the website of the Bank at:- https://suryoday.bank.in/assets/pdf/policies/Independent-Directors-T&C.pdf

As mentioned earlier in the report, all the Independent Directors have submitted the requisite declarations stating that they meet the criteria of independence prescribed under section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) of SEBI Listing Regulations and other applicable statutory provisions which have been taken on record by the Board. In the opinion of the Board, all Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

o) Directors and Officers Liability Insurance Policy ('D&O Policy')

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Bank has taken D&O Policy, from time-to-time, for all its Directors and Officers for such quantum and for such risks as determined appropriate by the Board of Directors.

p) Criteria for Appointment of Independent Directors

The NRC while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Act, SEBI Listing Regulations and other applicable Rules and Regulations.

q) Queries at Annual General Meeting

Shareholders who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Bank's investor e-mail-id: company.secretary@suryodaybank.com with regard to the accounts at least 48 hours before the time fixed for the AGM mentioning their name, demat account number/folio number, e-mail ID, mobile number etc. The queries may be raised precisely and in brief to enable the Bank to answer the same suitably depending on the availability of time at the AGM.

r) Policies of the Bank

The Bank has adopted various policies/ codes over period of time as a part of good Corporate Governance practices and same is available on the website of the Bank at https://suryoday.bank.in/investor-corner/#corporate-governance-policies.

s) Accounting Treatment

The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule (Form A and Form B) of the BR Act and the guidelines issued by the RBI from time to time. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by RBI from time to time, the accounting standards notified under Section 133 of the Act and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

t) Code of Conduct for Prevention of Insider Trading

The Bank has formulated the Code of Conduct for Prevention of Insider Trading (**"Bank's Code"**), in accordance with the SEBI (Prohibition of Insider Trading Regulations) 2015 (the **"PIT Regulations"**), as amended from time to time, to regulate, monitor and report trading by the Designated Persons specified therein and their Immediate Relatives in securities of the Bank and for dealing in securities listed or proposed to be listed (other than securities of the Bank), by the Designated Persons specified therein and their Immediate Relatives, and enumerating practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Thus, the Bank endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The Bank is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

The Prevention of Insider Trading Policy is available on the website of the Bank at https://suryoday.bank.in/assets/pdf/policies/suryoday-insider-trading-policy-fy-26-27-1.0.pdf.

Further, the Bank has also maintained Structured Digital Database (**"SDD"**) in compliance with the Regulation 3(5) and 3(6) of the PIT Regulations. Further, the SDD is fully updated in accordance with the abovementioned Rules.

u) Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Bank has formulated and approved the Dividend Distribution Policy with the objective of providing clarity to its stakeholders on the profit distribution strategies of the Bank. The policy is in line with the parameters prescribed thereunder for payment / distribution of dividend to the shareholders.

The said Policy is available on the website of the Bank at https://suryoday.bank.in/assets/pdf/policies/suryoday-dividend-distribution-policy-fy-26-27-1.0.pdf.

v) Disclosure of certain types of agreements binding the Bank

The Bank has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations. Accordingly, there was no requirement for disclosing the same.

w) Code of Conduct and Ethics

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The same has been hosted on the website of the Bank at https://suryoday.bank.in/assets/pdf/policies/suryoday-code-of-conduct-applicable-to-directors-&-sr-mgmt-of-the-bank-fy-26-27-1.0.pdf

The Declaration signed by the Managing Director & CEO of the Bank stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed and forms part of this Report as **Annexure-1**.

x) Managing Director & CEO / CFO Certification

The Managing Director & CEO and the Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, for the FY 2025-26 and the same was placed before the Board of Directors at its meeting held on May 07, 2026. The said certificate is attached as **Annexure-2** to this report.

y) Compliance Certificate

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant heads of departments by the Compliance Department. A report duly signed by the Chief Compliance Officer and MD & CEO and/or Executive Director of the Bank confirming with applicable laws, is placed before the ACB and the Board on a quarterly basis.

z) Compliance certificate on Corporate Governance

The Bank has obtained a certificate affirming the compliance with the Corporate Governance requirements as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E and Schedule V of the SEBI Listing Regulations from Tushar Shridharani & Associates LLP, Practicing Company Secretaries, LLPIN - ACL-9350, (FCS 2690 / COP 2190), Peer Review Certificate No.: 6670/2025, Mumbai which forms part of this report as **Annexure-3**. They have confirmed that the Bank has complied with the conditions of Corporate Governance as prescribed under SEBI Listing Regulations.

aa) Recommendations of Committee not accepted by Board of Directors

There are no recommendations of the Committee that are not accepted by the Board of Directors of the Bank.

ab) Fair Practices Code:

The Bank has adopted the Fair Practices Code pursuant to the RBI guidelines issued in this regard, which is placed on the Bank's website and displayed at all branches of the Bank.

ac) Directors E-KYC:

The Ministry of Corporate Affairs vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandating registration of KYC of all the directors through e-form DIR-3 KYC. All directors have complied with the aforesaid requirement.

ad) Transaction with Senior Management:

The members of the Senior Management of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest, and which may potentially conflict with the interest of the Bank at large.

For and on behalf of the Board
Suryoday Small Finance Bank Limited

Sd/-
Krishna Prasad Nair
Part-time Chairperson & Independent Director
[DIN: 02611496]

Sd/-
Baskar Babu Ramachandran
Managing Director & CEO
[DIN: 02303132]

Date: June 25, 2026

Annexure – 1

Compliance with Code of Conduct and Ethics

I confirm that all the Directors and Members of the Senior Management have affirmed compliance with the Code of Business Conduct and Ethics for the Board of Directors and Senior Management of Suryoday Small Finance Bank Limited.

For **Suryoday Small Finance Bank Limited**

Sd/-
Baskar Babu Ramachandran
Managing Director & CEO
(DIN: 02303132)

Place: Navi Mumbai
Date: May 07, 2026

Annexure – 2

CEO & CFO Certification

To
The Board of Directors
Suryoday Small Finance Bank Limited

Dear Sir/Madam,

Compliance Certificate for the Financial Year ended March 31, 2026

[Pursuant to Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015]

A. We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2026 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   (1) significant changes in internal control over financial reporting, if any, during the financial year ended March 31, 2026;

   (2) significant changes in accounting policies during the financial year ended March 31, 2026 and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

For **Suryoday Small Finance Bank Limited**

Sd/-	Sd/-
Kanishka Chaudhary	**Baskar Babu Ramachandran**
Chief Financial Officer	Managing Director & CEO
	(DIN: 02303132)

Place: Navi Mumbai
Date: May 07, 2026

Annexure – 3

Certificate on Corporate Governance

[Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)]

To
The Members of
Suryoday Small Finance Bank Limited
Unit no.1101, Sharda Terraces, Plot No.65
Sector 11, CBD Belapur
Navi Mumbai - 400 614

We have examined all the relevant records of Suryoday Small Finance Bank Limited (**'the Bank'**) for the purpose of certifying the compliance of the conditions of Corporate Governance by the Bank for the financial year ended March 31, 2026, as prescribed in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'LODR'**), as amended from time to time, pursuant to the Listing Agreement of the Bank with the National Stock Exchange of India Limited and the BSE Limited. We have obtained all the information and explanations, which, to the best of our knowledge and belief, necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us and the representation provided, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the LODR for the financial year ended March 31, 2026.

We further state that such compliance is neither an assertion as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

This certificate is addressed and provided to the members of the Bank solely for the purpose of certification on the compliance of the abovementioned requirements of the LODR, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Tushar Shridharani & Associates LLP**
Practicing Company Secretaries

Sd/-
(Tushar Shridharani)
Designated Partner
Membership No.: FCS – 2690 /
Certificate of Practice No.: - 2190
Peer Review Certificate No.: 6670/2025
UDIN: F002690H000267999

Place: Mumbai
Date: May 07, 2026

Business Responsibility and Sustainability Reporting

SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

I-1. Corporate Identity Number (CIN) of the listed entity L65923MH2008PLC261472

I-2. Name of the listed entity SURYODAY SMALL FINANCE BANK LIMITED

I-3. Year of incorporation 10/11/2008

I-4. Registered office address Unit No.1101, Sharda Terraces, Plot No.65, Sector 11, CBD Belapur, Navi Mumbai 400614

I-5. Corporate address 7th Floor, Seawoods Grand Central Tower. No. 1, Plot No. R-1, Sector 40, Navi Mumbai, Maharashtra 400706

I-6. E-mail inv.relations@suryodaybank.com

I-7. Telephone 022-41856700 022-40435800

I-8. Website https://suryoday.bank.in/

I-9. Financial year for which reporting is being done FY 2025-26

I-10. Name of the Stock Exchange(s) where shares are listed National Stock Exchange of India Limited, BSE Limited

I-11. Paid-up Capital 1,06,28,48,240

I-12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.

Mr. Himadri Das- Investor Relations
inv.relations@suryodaybank.com
Land line number: 022-41856700 022-40435800

I-13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). Standalone Basis

I-14. Name of assurance provider N/A

I-15. Type of assurance obtained Not applicable

II. Products/services

II-16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	The Bank offers a range of deposit and loan products, to suit varying customer needs. These include Savings Accounts, Current Accounts, Fixed/ Recurring Deposits, Microfinance Loans for Financial Inclusion, Affordable Housing Loans, Commercial Vehicle Loans, etc.	Financial service activities, other than Insurance	100

II-17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Banking, Treasury, Wholesale Banking, and other Banking Operations	64191	100

III. Operations

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	0	717	717
International	0	0	0

III-19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	15
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil, as per the nature of business and services, exports as an activity is not applicable.

c. A brief on types of customers

The Bank's customer base is primarily comprised of the microfinance segment and also includes customers engaged in sectors such as MSME/SME, Agriculture and Allied Activities, Etc.

IV. Employees

IV-20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
	Employees					
1	Permanent (D)	8574	7608	88.73%	966	11.27%
2	Other than Permanent (E)	185	150	81.08%	35	18.92%
3	Total employees (D + E)	8759	7758	88.57%	1001	11.43%
	Workers					
1	Permanent (F)	0	0	0	0	0
2	Other than Permanent (G)	0	0	0	0	0
3	Total Workers (F + G)	0	0	0	0	0

b. Differently abled Employees and workers:

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
	Differently Abled Employees					
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	0	0	0	0	0
	Differently Abled Workers					
1	Permanent (F)	0	0	0	0	0
2	Other than Permanent (G)	0	0	0	0	0
3	Total Workers (F + G)	0	0	0	0	0

IV-21. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	8	1	12.50%
Key Management Personnel	4	0	0.00

IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 25-26 (Turnover rate in current FY)			FY 24-25 (Turnover rate in previous FY)			FY 23-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	60.88%	68.67%	61.72%	61.15%	64.68%	61.51%	68.28%	67.64%	68.22%
Permanent Workers	0	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

V-23. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	N/A	N/A	N/A	N/A

VI. CSR Details

VI-24. Provide the following CSR details

i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes

ii) Turnover (in Rs.) - 25199667398

iii) Net worth (in Rs.) - 20783175034

VII. Transparency and Disclosures Compliances

VII-25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 25-26			FY 24-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Stakeholders Relationship Committee looks after the matters related to communities' grievance (if any). The link to address Investors' grievance (if any) is given below: https://suryoday.bank.in/assets/pdf/policies/INVESTOR-HELPDESK.pdf	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes. The Stakeholders Relationship Committee looks after the matters related to Investors' grievance (if any). The link to address Investors' grievance (if any) is given below: https://www.suryodaybank.in/ assets/pdf/policies/INVESTOR HELPDESK.pdf	0	0	NA	0	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 25-26			FY 24-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes. The Stakeholders Relationship Committee looks after the matters related to shareholders' grievance (if any). The link to address Investors' grievance (if any) is given below: https:// www.suryodaybank. in/ assets/pdf/policies/ INVESTOR HELPDESK.pdf	0	0	NA	0	0	NA
Employees and workers	Yes, https://suryoday.work-line.hr/Content/CMSEmp-DocumentView.aspx?cate-code=1&pagemode=A&type	0	0	NA	4	0	NA
Customers	Yes, https://suryoday. bank.in/assets/pdf/ policies/suryoday-policy-on-customer-service-fy24-25-2-0.pdf	16494	347	The pending `complaints will be resolved at the earliest	11804	303	The pending complaints are resolved.
Value Chain partners	No	0	0	NA	0	0	NA
Other (please specify)	No	0	0	NA	0	0	NA

Remarks: The Bank launched multiple new digital banking products, resulting in a significant expansion of the customer base. This growth, coupled with increased digital adoption, contributed to a corresponding rise in the number of customer complaints.

VII-26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Compliance with Regulatory oversight under The RBI Act 1949, The Companies Act 2013, The SEBI Act , specifically with respect to listing of shares on BSE and NSE	Opportunity	Critical aspect of the both Banking Industry and as Corporate enterprise, and full compliance entails good reputation, commensurate business opportunity , investor support		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Compliance with Regulatory oversight under The RBI Act 1949, The Companies Act 2013, The SEBI Act , specifically with respect to listing of shares on BSE and NSE	Risk	Non-compliance has financial and pecuniary risks such as penalties and regulatory strictures which can curb Board independence and Management of Business opportunities	The Bank conducts frequent reviews of the products and processes through various committees set under the Risk Management Committee of the Board to ensure compliance under various regulations.	Negative
3	Financial Inclusion and inclusive Banking	Opportunity	The genesis of the Bank as micro-finance lending institution has inclusive finance in its DNA. The crucial role in rural, semi-urban areas, as also the target segment which is unbanked, financially non-literate, economically weaker sections.		Positive
4	Financial Inclusion and inclusive Banking	Risk	a. Unsecured lending b. loan repayments collected through cash c. loan repayments collected through cash	a. Suitable pricing, Robust Credit Underwriting, Strong In-house Collection Team and Coverage under Credit Guarantee b. insurance, Audit Check, Moving towards Standing Instruction Clearance	Negative
5	Transparency & Disclosure	Opportunity	Reputation Compliance Stakeholder involvement – as investor for economic benefits, As customer – for asset segment (viz fairness and customer orientation for deposit segment)		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Transparency & Disclosure	Risk	Limited to what is disclosed and/ or not disclosed	All the policies are published on the Bank's website. Complete disclosure about product details to the customers at the time of disbursement. Bank also conducts periodic customer interaction and customer awareness programme.	Negative
7	Corporate Governance & Ethics	Opportunity	Basic and fundamental concept of Banking and ESG principles revolve around Corporate Governance and Ethics. The positive affects span across all stakeholders and has business implications		Positive
8	Corporate Governance & Ethics	Risk	Wrong perception, misconception and/ or misinformation regarding the said aspect can have negative implications for business and management independence.	The Bank follows best in class governance practices.	Negative
9	Economic Performance and Financial Capital	Opportunity	Economic performance leads to enhancement in financial capital and vice versa. Both are crucial for business performance and crucial for nature of business / sector the Bank is functioning in.		Positive
10	Economic Performance and Financial Capital	Risk	Failure in one can constrain the other and vice versa	The Bank maintains adequate liquidity and capital buffer above the regulator prescribed limits.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Data Security	Opportunity	Appropriate and adequate safety systems create trust and confidence in the Bank Operations and its Management and generates customer satisfaction		Positive
12	Data Security	Risk	Failure in any aspect can lead to regulatory censure and customer dissatisfaction	External Controls: Antivirus, Data Classification, Encryption, Application Control, Proxy, TACACS – Radius, NSX – Zero Trust, Decoy Internal Controls: Penetration Test, Dark-Web Monitor, Anti-Phishing, Brand Monitor, Malware Monitor, Rouge App Monitor, DDoS Service, Firewall, Intrusion Prevention IT Security Risk Governance, IT Policies / Processes Check, IT Security Risk Reporting, IT Audits	Negative
13	Customer Privacy	Risk	Failure in any aspect can lead to regulatory censure and customer dissatisfaction	Masking of KYC documents, OTP enabled transactions, M-PIN enabled mobile login, Timely password change for digital banking	Negative
14	Customer Satisfaction	Opportunity	Appropriate and customer orientation in products, policies, services and communication results in commensurate satisfaction Management and Bank's operations and generates customer satisfaction and incremental business opportunities		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Customer Satisfaction	Risk	Failure in any aspect can lead to loss of business opportunities and business traction	The Bank has put in place all the regulatory grievance redress mechanism and also proactively reaches out to customers through various mediums.	Positive
16	Risk Management	Opportunity	As a financial institution the Risk Management framework is critical in every respect to every stakeholder identified – internal and external. The Risk Management function reports to the MD&CEO and is independent of Operations and Business. The Bank is embarking on a detailed program to enhance its Risk Management Systems to include assessment on Environment Risk – transition and mitigation.		Positive
17	Lending Practices	Opportunity	The Bank ensures that its lending practices and sales efforts are underlined with good and fair conduct- mainly ensuring non-mis-selling of products, transparency in terms and conditions, pro-active measures to ensure the customer interest is addressed upfront. The published marketing material and literature & statements are cogent, clear and non-ambiguous. The Bank is in the process of reviewing its policies and relevant frameworks it is meant to abide by.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
18	Consumption Emissions Reduction	Opportunity	As part of its ongoing efforts to reduce long-term operational costs and strengthen stakeholder perception, the Bank has established a mechanism to track its Scope 1 and Scope 2 emissions, as reflected in its current environmental disclosures. The Bank is in the process of evaluating a framework to extend this tracking to Scope 3 emissions in a phased manner going forward.		Positive
19	Consumption Emissions Reduction	Risk	Failure to achieve and work towards climate amelioration, can create negative perception of Bank amongst its stakeholders.	The Bank plans to form an ESG Committee in the current fiscal to address this aspect.	Negative
20	Employee Training & Development	Opportunity	To attract and retain high quality talent across departments and regions of the Bank etc.		Positive
21	Employee Training & Development	Risk	Inadequate training and development can deter business development both in mid and long term, and result in employee attrition	The Bank has been regularly conducting digital and physical training for all employees both on internal products and processes, regulatory and business related updates, including behavioural trainings.	Negative
22	Community Engagement	Opportunity	The nature of business and customer segment the Bank caters to provides an opportunity for creating positive interface and has potential for business enhancement		Positive

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	No	No	No	No	No	No	No	No	No
1. c. Web Link of the Policies, if available	https://suryoday.bank.in/assets/pdf/policies/suryoday-corporate-governance-policy-fy-25-26-1.0.pdf	https://suryoday.bank.in/assets/pdf/policies/Collection-and-Recovery-Policy-(1).pdf	https://suryoday.bank.in/assets/pdf/policies/Suryoday_Compensation_Policy_FY23-24_4.0.pdf	https://suryoday.bank.in/assets/pdf/policies/Fair-Practices-Code.pdf	https://suryoday.bank.in/assets/pdf/policies/suryoday-corporate-governance-policy-fy-25-26-1.0.pdf	https://suryoday.bank.in/assets/pdf/policies/suryoday-corporate-governance-policy-fy-25-26-1.0.pdf	https://suryoday.bank.in/assets/pdf/policies/suryoday-corporate-governance-policy-fy-25-26-1.0.pdf	https://suryoday.bank.in/assets/pdf/policies/Suryoday_Customer_Compensation_Policy_FY21-22_2.0.pdf	https://suryoday.bank.in/assets/pdf/policies/suryoday-customer-grievance-redressal-policy-fy24-25-2.0.pdf
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank is evaluating the development of specific sustainability commitments, goals, and targets with defined timelines, which will be established as its ESG framework continues to evolve.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company recognizes the importance of measurable ESG commitments and intends to progressively establish appropriate goals and targets. Performance against these commitments will be evaluated and reported following their formal adoption.								

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Suryoday, our commitment to responsible banking is rooted in our founding purpose, extending financial inclusion to India's unbanked and underbanked communities. This year, we continued to strengthen our presence across the country, adding new branch offices and expanding our reach to better serve our customers. This growth was reflected in our energy consumption, which increased on account of the new branches added and our relocation to a larger corporate office. At the same time, we optimised resource use, replacing manual taps with sensor-based fixtures, which helped reduce our overall water consumption compared to the previous year. We also significantly strengthened our investment in our people, with an increased amount of HR, health and safety, and up-skill training programs for our employees during the year. We recognise that sustainability reporting is a continuing journey. As our systems and processes mature, we are working towards better visibility into areas such as energy, waste and value chain tracking, alongside strengthening the governance frameworks. We remain committed to inclusive growth and to building a Bank that is transparent, accountable, and responsive to all our stakeholders.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Details of the BR head: 1. DIN: 02303132 2. Name: Mr. Baskar Babu Ramachandran 3. Designation: Managing Director & Chief Executive Officer 4. Telephone number: 022-40438000 5. e-mail id: baskar.babu@suryodaybank.com
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Bank has in place the Corporate Social Responsibility & ESG Committee which takes decisions on sustainability related issues.

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the Board									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

S. No,	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)							Yes		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)							Yes		
The entity does not have the financial or/human and technical resources available for the task (Yes/No)							Yes		
It is planned to be done in the next financial year (Yes/No)							No		
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

EI-1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	4	Familiarization Program; they were nominated to Certification Programmes for IT and Cyber Security. Other Director/s were nominated to programmes covering Governance & Assurance and ESG. These programs familiarise newly joined directors with the bank and its working. The other programs inform about the latest trends in cyber security, governance and sustainability, and their impact on the entire ecosystem in which the bank operates. The information thus gained helps the board members in guiding the bank on policy matters.	50.00%
Key Managerial personnel	5	Apart from mandatory training on compliance, cybersecurity and prevention of sexual harassment, key managerial personnel underwent training on Governance, ESG and the latest amendments in the Companies Act. These programmes helped to strengthen leadership and functional skills and keep leaders up to date with the latest developments in the regulatory environment.	50.00%
Employees other than BoD and KMPs	197	Training programmes imparting product, process, systems and soft skills were conducted. Managerial development programmes were conducted as well. These programmes improve functional prowess, enhance leadership and communication skills, increase product knowledge and reinforce sales and interpersonal skills.	100.00%
Workers	NA	NA	NA

EI-2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	0	Public Debt Office (MRO), Reserve Bank of India	2,00,000	A penalty of ₹ 2,00,000/- (Rupees Two Lakhs only) has been imposed on the Bank for SGL bouncing in the current financial year in term of RBI Circular IDMD. DOD.17/11.01.01 (B) 2010-11 dated July 14, 2010.	Yes
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	0	0	0	0
Punishment	0	0	0	0

EI-3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No	Case Details	Name of the regulatory/enforcement agencies/judicial institutions
1	0	0

EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Bank has put in place a Code of Conduct which covers all its employees. The Code articulates the ethical principles and acceptable behavior that the employees are expected to demonstrate throughout their tenure as employees of the organization. It also guides all employees to uphold the values of the Bank. The Code covers aspects related but not limited to ethics, accountability, conflict of interest, bribery and corruption. The Bank has also adopted Code of Conduct for Directors & Senior Management to provide a framework to the Board members and Senior Management in ensuring adoption of highest ethical standards in managing the affairs of the Bank. The Bank's commitment to ethics and accountability is emphasized upon in interactions with all its stakeholders. Code of Conduct for Directors and Senior Management of the Bank:

https://suryoday.bank.in/assets/pdf/policies/suryoday-code-of-conduct-applicable-to-directors-&-sr-mgmt-of-the-bank-fy-25-26-1.0.pdf

EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	Current Financial Year	Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

EI-6. Details of complaints with regard to conflict of interest:

Category	Current Financial Year		Previous Financial Year	
	Number - 25-26	Remarks - 25-26	Number - 24-25	Remarks - 24-25
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	0	0

EI-7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no such instances of conflict-of-interest throughout the financial year.

EI-8. Number of days of accounts payables ((Accounts payable × 365) / Cost of goods/services procured) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	2.63	2.86

EI-9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY25-26	FY24-25
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	0	0
	b.	Number of trading houses where purchases are made from	0	0
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	0	0
	b.	Number of dealers / distributors to whom sales are made	0	0
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	0	0
	b.	Sales (Sales to related parties / Total Sales)	0	0
	c.	Loans & advances (to related parties / total loans & advances)	0	0
	d.	Investments (in related parties / total investments)	0	0

Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	0	0	NA

LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The entity has processes in place to manage conflicts of interest. Related party transactions are governed by the standard accounting policy and disclosure in line with the applicable policy.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

EI-1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	N/A
Capex	-	-	N/A

EI-2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

EI-2.b. If yes, what percentage of inputs were sourced sustainably?

N/A

EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life for the following:

Category	Description
(a) Plastics (including packaging)	N/A
(b) E-waste	N/A
(c) Hazardous waste	N/A
(d) Other waste	N/A

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

N/A

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
1	-	-	-	-	-	-

LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
1	-	-	-

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

S. No.	Indicate input material	Recycled or re-used input material to total material	
		FY25-26	FY24-25
1	-	-	-

LI-4. Of the products and packaging reclaimed at end of life of products, disclose the amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY25-26			FY24-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	Not Applicable	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

EI-1.a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
	(A)	Number (B)	%(B /A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent Workers											
100%	7608	7608	100%	7608	100%	0	0.00%	7608	100%	0	0.00%
100%	966	966	100%	966	100%	966	100%	0	0.00%	0	0.00%
100%	**8574**	**8574**	**100%**	**8574**	**100%**	**966**	**100%**	**7608**	**100%**	**0**	**0.00%**
Other than permanent Workers											
Male	150	150	100%	150	100%	0	0.00%	150	100%	0	0.00%
Female	35	35	100%	35	100%	35	100%	0	0.00%	0	0.00%
Total	**185**	**185**	**100%**	**185**	**100%**	**35**	**100%**	**150**	**100%**	**0**	**0.00%**

Remark: The previous year's figures for permanent and other-than-permanent employees were based on the number who had opted for these measures. The Company has since aligned its interpretation with the intent of the disclosure, and the current year reflects all eligible and covered employees in this category.

EI-1.b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
	(A)	Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other than permanent Workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

EI-1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on wellbeing measures as a % of total revenue of the company	0.00%	0.00%

Remark: The company provides employee well-being benefits such as health insurance, accident insurance, life insurance, and periodic medical camps. However, the expenditure incurred on these initiatives is not tracked separately. Therefore, the company is unable to report the percentage.

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	Y	100%	-	Y
ESI	NA	-	NA	NA	-	NA
Others – please specify	-	-	-	-	-	-

EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, The Bank has made conscious efforts in this direction at its Corporate Office and intends to take similar measures across its branches in the future.

EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the web link is not available since it is covered in the Internal HR policy.

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00%	100.00%	-	
Female	100.00%	100.00%	-	-
Total	100.00%	100.00%	-	-

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes. The employees can reach out to their reporting manager and the HR department.
Other than Permanent Employees	Yes. The employees can reach out to their reporting manager and the HR department.

EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY25-26			FY24-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**8574**	**0**	**0.00%**	**8649**	**0**	**0.00%**
Male	7608	0	0.00%	7748	0	0.00%
Female	966	0	0.00%	901	0	0.00%
Total Permanent Workers	**-**	**-**	**-**	**-**	**-**	**-**
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

EI-8. Details of training given to employees and workers:

Category	FY25-26					FY24-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	7758	6018	77.57%	7121	91.79%	7878	5594	71.01%	4805	60.99%
Female	1001	884	88.31%	635	63.44%	939	832	88.60%	473	50.37%
Total	**8759**	**6902**	**78.80%**	**7756**	**88.55%**	**8817**	**6426**	**72.88%**	**5278**	**59.86%**
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

EI-9. Details of performance and career development reviews of employees and workers:

Category	FY25-26			FY24-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	7758	7608	98.07%	7878	7748	98.35%
Female	1001	966	96.50%	939	901	95.95%
Total	**8759**	**8574**	**97.89%**	**8817**	**8649**	**98.09%**
Workers						
Male	**-**	**-**	**-**	**-**	**-**	**-**
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

Remark: The previous year's disclosure has been restated to align with the current year's reporting approach, as the performance of other than permanent employees is not subject to a formal evaluation process.

EI-10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. All branches and offices have CCTV cameras and fire extinguishers. Mock drills are performed periodically

EI-10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Fire safety hazards are identified at periodic intervals and mock drills are conducted for emergency preparedness.

EI-10.c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

The Bank continuously monitors potential work-related hazards and takes necessary actions. In respect of any work-related incidents and potent, are reported to respective HR and Admin point of contacts by employees.

EI-10.d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

EI-11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY25-26	FY24-25
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.

1. The Bank has enhanced the coverage for critical illness in the Group Medical Cover.
2. Conducted Annual Health check-ups, blood donation camps, eye and dental checkup camps.
3. Organised multiple webinars on health and nutrition.
4. The Bank has also undertaken several programmes to enhance gender diversity and inclusivity, including creating awareness about the POSH Act.
5. CCTV cameras and fire extinguishers are in place at branches and offices.

EI-13. Number of Complaints on the following made by employees and workers:

	FY25-26			FY24-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Null	0	0	Null
Health & Safety	0	0	Null	0	0	Null

EI-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0.00%
Working Conditions	0.00%

EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Nil

Leadership Indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No

LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Timely deduction and deposit of all applicable statutory dues (such as PF and PT) with the government.

LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Organized medical camps for employees and ensured improved ventilation and safe working conditions across facilities.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

EI-1. Describe the processes for identifying key stakeholder groups of the entity.

The Bank has its roots in micro-finance and therefore has various outreach and enablement linkages that provide insights into grassroots-level stakeholders. With regards to other stakeholders, the Bank has identified relevant key stakeholders in line with its business and corporate profile. The Corporate Social Responsibility & ESG Committee is already in place, and it is tasked with the mandate to further develop this program as may be required.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication ((Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement
1	Communities	Yes	Across various modes	Frequently through outreach	Awareness building and i nclusive financing
2	Investors	No	Interactive and well defined formats of communication and engagement	Quarterly or as required	Quarterly or as required
3	Employees	No	Interactive and well defined formats of communication and engagement	Frequently through outreach	Engagement and outreach
4	Customers	No	Across various modes	Frequently through outreach	Awareness Building and Inclusive Financing

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY25-26			FY24-25		
	Total (A)	No. of employees / workers covered (D)	% (B / A)	Total (C)	No. of employees / workers covered (D)	%(D / C)
Employees						
Male	8574	8574	100.00%	8649	8649	100.00%
Female	185	185	100.00%	168	168	100.00%
Total	**8759**	**8759**	**100.00%**	**8817**	**8817**	**100.00%**
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Remarks:

Other than Permanent 2512

EI-2. Details of minimum wages paid to employees, in the following format:

Category	FY25-26					FY24-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	**8574**	**3064**	**35.74%**	**5510**	**64.26%**	**8649**	**1675**	**19.37%**	**6974**	**80.63%**
Male	7608	2721	35.76%	4887	64.24%	7748	1508	19.46%	6240	80.54%
Female	966	343	35.51%	623	64.49%	901	167	18.53%	734	81.47%
Other than Permanent	**185**	**5**	**2.70%**	**180**	**97.30%**	**168**	**2**	1.19%	**166**	**98.81%**
Male	150	4	2.67%	146	97.33%	130	1	0.77%	129	99.23%
Female	35	1	2.86%	34	97.14%	38	1	2.63%	37	97.37%
Workers										
Permanent	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

EI-3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	1850000	1	2060000
Key Managerial Personnel	4	16000000	0	0
Employees other than BoD and KMP	7604	336475	966	342227
Workers	0	0	0	0

EI-3. b. Provide information on Gross wages paid to females by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	11.43%	11.52%

EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No. The Bank has not yet constituted a dedicated focal point/committee for this purpose and is currently in the process of instituting one.

EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Bank has established internal mechanisms through which human rights-related grievances can be raised and redressed. Employees can report concerns relating to discrimination, harassment, or other human rights issues through HR grievance channel, the Bank's Whistle Blower Policy, which provides direct access to the Audit Committee and protection against retaliation, and the Internal Committee constituted under the POSH Act, 2013 for complaints of sexual harassment. Grievances are investigated by the designated authority and resolved within defined timelines.

EI-6. Number of Complaints on the following made by employees and workers:

	FY25-26			FY24-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	The complaint received in last year has been resolved as per process and within timelines
Discrimination at workplace	0	0	Nil	0	0	-
Child Labour	0	0	Nil	0	0	-
Forced Labour/ Involuntary Labour	0	0	Nil	0	0	-
Wages	0	0	Nil	0	0	-
Other human rights related issues	0	0	Nil	0	0	-

EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0	0.12%
Complaints on POSH upheld	0	0

EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Bank has Code of Conduct Committee Which addresses such issues

EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

EI-10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0.00%
Forced/involuntary labour	0.00%
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Wages	0.00%
Others – please specify	NA

EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Assessments have not been conducted.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

EI-1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 25-26	FY 24-25
From renewable sources		
Total electricity consumption (A)	0.00	0.00
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	0.00	0.00
From non-renewable sources		
Total electricity consumption (D)	9839.24	8360.43
Total fuel consumption (E)	0.00	0.00
Energy consumption through other sources (F)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F)	9839.24	8360.43
Total energy consumed (A+B+C+D+E+F)	9839.24	8360.43
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	3.90 GJ / Crore	3.85 GJ / Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	79.42 GJ / Crore	78.33 GJ / Crore
Energy intensity in terms of physical output (in terms of Full-time Employees (FTE))	1.15 GJ per FTE	0.97 GJ per FTE

Remarks: The increase in electricity consumption in FY 25-26 is primarily attributable to the relocation to a larger corporate office and the addition of seven new branch offices.

EI-1. Indicate if any independent assessment/evaluation/assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency:

No

EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

EI-3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 25-26	FY 24-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii)Groundwater	0.00	0.00
(iii)Third party water	110692.95	285472.00
(iv)Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**110692.95**	**285472.00**
Total volume of water consumption (in kilolitres)	**110692.95**	**285472.00**
Water intensity per rupee of turnover (Water consumed / turnover)	8.35 KL /	27.85 KL /
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	110692.95 KL /	285472.00 KL /
Water intensity in terms of physical output (in terms of Full-time Employees (FTE))	11.90 KL per FTE	33.01 KL per FTE

Remarks: We have optimized water usage across our offices by replacing manual taps with sensor-based taps, leading to lower water consumption compared to the previous financial year.

EI-3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

EI-4. Provide the following details related to water discharged

Parameter	FY25-26	FY24-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
(ii) To Groundwater		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
(iii) To Seawater		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0.00	0
(iv) Sent to third-parties		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
(v) Others		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
Total water discharged (in kilolitres)	**0.00**	**0.00**

Remarks: As a small finance bank engaged in retail banking, deposit-taking, and lending services, our operations are largely office and branch-based rather than industrial in nature. Consequently, our water discharge is restricted to routine use across our banking outlets and corporate offices, with no significant process-related or industrial effluent expected. Given this limited and non-industrial nature of discharge, granular reporting on discharge destination and treatment level has not been tracked separately and is not considered materially relevant to our business at this stage.

EI-4. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

EI-6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	-	0	0
SOx	-	0	0
Particulate matter (PM)	-	0	0
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Others – please specify in the remark section	-	0	0

EI-6. Indicate if any independent assessment/evaluation/assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency:

No

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 25-26	FY 24-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	tCO_2e	0	0
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	tCO_2e	1948.71	1662.79
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	tCO_2e / rupee of turnover	0.1470 tCO_2e /	0.1622 tCO_2e /
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	tCO_2e / $ Crore	15.6629	15.8237
Total Scope 1 and Scope 2 emission intensity in terms of physical output (in terms of Full-time Employees (FTE))	tCO_2e per FTE	0.23 tCO_2e per FTE	0.19 per tCO_2e

Remarks: During FY 2025-26, the Bank's total Scope 1 and Scope 2 emissions increased over the previous financial year. While the emission intensity per rupee of turnover has increased correspondingly, the intensity adjusted for Purchasing Power Parity (PPP) reflects a marginal decline. This is attributable to the revision in the PPP conversion factor, which stood at 20.34 for FY 2025-26 as against 20.66 for FY 2024-25.

EI-7. Indicate if any independent assessment/evaluation/assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency: -

No. N/A

EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No

EI-9. Provide details related to waste management by the entity, in the following format:

Parameter	FY25-26	FY24-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste(B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste.Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A + B + C + D + E + F + G + H)	0	0
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	0.0000 MT /	0.0000 MT /
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output (Total Waste Generated / Physical Output)	0.0000 MT /	0.0000 MT /
Waste intensity (optional) the relevant metric may be selected by the entity	0.0000 MT / of	0.0000 MT / of
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total Plastic Waste Recycled, Re-used and other recovery operations	0	0

Parameter	FY25-26	FY24-25
Category of waste - E-Waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total E-Waste Recycled, Re-used and other recovery operations	0	0
Category of waste - Bio-medical waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total Bio-medical Waste Recycled, Re-used and other recovery operations	0	0
Category of waste - Construction and demolition waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total Construction Waste Recycled, Re-used and other recovery operations	0	0
Category of waste - Battery waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total Battery Waste Recycled, Re-used and other recovery operations	0	0
Category of waste - Radioactive waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total Radioactive Waste Recycled, Re-used and other recovery operations	0	0
Category of waste - Other Hazardous waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total Other Hazardous Waste Recycled, Re-used and other recovery operations	0	0
Category of waste - Other Non-Hazardous waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total Other Non-hazardous Waste Recycled, Re-used and other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total Plastic Waste Incineration, Landfilling and other disposal operations	0	0
Category of waste - E-Waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total E-waste Waste Incineration, Landfilling and other disposal operations	0	0
Category of waste - Bio-medical Waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		

Parameter	FY25-26	FY24-25
Total Bio-medical Waste Incineration, Landfilling and other disposal operations	0	0
Category of waste - Construction and demolition waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total Construction Waste Incineration, Landfilling and other disposal operations	0	0
Category of waste - Battery		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total Battery Waste Incineration, Landfilling and Other disposal operations	0	0
Category of waste - Radioactive		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total Radioactive Waste Incineration, Landfilling and Other disposal operations	0	0
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total Other Hazardous Waste Incineration, Landfilling and Other disposal operations	0	0
Category of waste - Other Non-hazardous waste generated		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total Other Non-hazardous Waste Incineration, Landfilling and Other disposal operations	0	0
Total	**0**	**0**

Remarks: Being a financial services company, the Bank generates only general office waste and limited e-waste, which have not been separately measured to date. The Bank is exploring the introduction of a mechanism to track such waste as part of its broader ESG journey, going forward.

EI-9. Indicate if any independent assessment/evaluation/assurance for Waste has been conducted by an external agency. If Yes, provide the name of the agency:

N/A

EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Bank has implemented digital onboarding for customers across both its deposit and asset segments, thereby reducing the reliance on paper. At the Corporate Office, a facility is available for employees to safely dispose of electronic waste, such as used batteries. Additionally, the Bank has replaced plastic bottles and paper cups with glass water bottles and cups.

EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	N/A	N/A	N/A

EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	N/A	N/A	N/A	N/A	N/A	N/A

EI-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	N/A	N/A	N/A	N/A

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

EI-1.a. Number of affiliations with trade and industry chambers/ associations.

4

EI-1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National/International)
1	Indian Banks Association	National
2	FIMMDA	National
3	MFIN	National
4	ASFBI	National

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of authority	Brief of the case	Corrective action taken
1	N/A	N/A	N/A

Remarks: NA.

Leadership Indicators

LI-1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board	Web Link, if available
1	0	0	0	0	0

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	N/A	N/A	N/A	N/A	N/A	N/A

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
1	0	0	0	0	0	0

EI-3. Describe the mechanisms to receive and redress grievances of the community.

The Bank has mentioned in the customer service SOP that the customer may walk up to branch or contact the call centre to report any complaint. The Officer at the Branch or Call Centre would understand the exact complaint and raise a Service Request for further follow up and timely closure. Once resolution is received, the customer is informed and the complaint closed in the system post customer confirmation.

EI-4. Input material sourced from suppliers (by value):

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers		
Sourced directly from within India		

Remark: The Bank is currently developing an appropriate methodology to capture and quantify input material sourcing from MSMEs / small producers and from within India. The relevant data will be disclosed in future reporting periods.

EI-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	Current Financial Year	Previous Financial Year
Rural	14.00%	14.41%
Semi-Urban	26.24%	25.47%
Urban	16.86%	15.50%
Metropolitan	42.90%	44.62%

Remarks: Previous year figures have been restated to reflect the revised classification of certain branch locations under the RBI's rural/semi-urban/urban/metropolitan classification framework, undertaken as part of the Bank's periodic review of center-wise population data.

Leadership Indicators

LI-1. If any Social Impact Assessments have been reported in EI-1, please provide details of actions taken to mitigate any negative social impacts identified:

S. No.	Details of negative social impact identified	Corrective action taken
1	0	0

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	0	0	0

LI-3.a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - N/A

LI-3.b. From which marginalized /vulnerable groups do you procure? - N/A

LI-3.c. What percentage of total procurement (by value) does it constitute? – N/A

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Bank has an effective grievance redressal mechanism in place, including a toll-free number through which customers can lodge complaints or share feedback. A dedicated customer service team is responsible for addressing these complaints and feedback. In addition to visiting branches, customers can also use internet banking and mobile banking applications to submit their queries, complaints, and feedback.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0.00%
Safe and responsible usage	0.00%
Recycling and/or safe disposal	0.00%

Remarks: Not Applicable as per the nature of the business The Bank believes that it has a critical role to carry out in furthering financial inclusion in the nation to accomplish inclusive and equitable growth. the Bank caters to those who do not have access to formal system of finance and helps such unbanked and underbanked people by offering loan products such as Joint Liability Group loans, loans for , Affordable housing, Savings Accounts, Recurring Deposits, etc. The Bank principally deals with financially vulnerable sections of the society and hence it is even more mindful and responsible in its lending practices.

EI-3. Number of consumer complaints in respect of the following:

	FY 25-26			FY 24-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	No complaints found	0	0	No complaints found
Advertising	56	0	Social Media/ Twitter/Website portal	48	2	Social media/ Twitter/Website portal
Cyber-security	26	0	FRM/ NPCI	10	4	FRM/ NPCI
Delivery of essential services	8034	110	Account related complaints	5212	174	Account related complaints
Restrictive Trade Practices						
Restrictive Trade Practices	0	0	No complaints found	0	0	No complaints found
Unfair Trade Practices	0		No complaints found			No complaints found
Other (miscellaneous complaints)	8378	237	Nil	6534	123	Nil

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	0	N/A
Forced recalls	0	N/A

EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. an internal policy has been established. Weblink not available.

The Bank follows a highly structured and regulated framework on cyber security and ensures that cyber security related risks (example data privacy) as also safety and security of banking operations for customers via internet banking or branch banking is optimally secure and safe.The Bank follows a highly structured and regulated framework on cyber security and ensures that cyber security related risks (example data privacy) as also safety and security of banking operations for customers via internet banking or branch banking is optimally secure and safe.

EI-6. Provide details of any corrective actions taken or underway on issues relating to any of the following: i. Advertising; ii. Delivery of essential services; iii. Cyber security and data privacy of customers; iv. Re-occurrence of instances of product recalls V. penalty / action taken by regulatory authorities on safety of products / services.

Not applicable, there have been no instances related to advertising, delivery of essential services, cyber security and customer data privacy, recurrence of product recalls, or penalties/actions imposed by regulatory authorities concerning the safety of products or services.

EI-7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of the data breaches

N/A

Leadership Indicators

LI-1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Visit our official website to explore detailed information about our products and services: https://suryoday.bank.in/

Financial Statements

Independent Auditors' Report

To the members of
Suryoday Small Finance Bank Limited

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Suryoday Small Finance Bank Limited** ("the Bank"), which comprise the Balance Sheet as at March 31, 2026, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Banking Regulation Act, 1949, the Companies Act, 2013 ("the Act"), and circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time ('RBI Guidelines') in the manner so required for Banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2026; the profit for the year ended on that date; and the cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the Key audit matters to be communicated in our report.

Identification and provisioning of non-performing advances (NPA):

Total Loans and Advances (Net of Provision) as at March 31, 2026: Rs. 12,87,87,632 (in '000s)
Provision for NPA as at March 31, 2026: Rs. 2,13,982 (in'000s)
(Refer Schedule 9 and Schedule 17)

Key Audit Matter	How our audit addressed the key audit matter
The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification & Provisioning ("IRAC") and other circulars and directives issued by the RBI from time to time, which prescribe the prudential norms for identification and classification of performing and non-performing assets ("NPA") and the minimum provision required for such assets. The Bank is required to have a Board approved policy as per IRAC guidelines for NPA identification and classification of advances and provision thereon. The management of the Bank relies on its automated IT systems to determine asset classification, income recognition, provisioning for advances and for compliance of applicable regulatory guidelines issued by the RBI. The management supplements its assessment	Our audit approach included testing the design and operating effectiveness of internal controls, and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular: a. We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances.

Key Audit Matter	How our audit addressed the key audit matter
by availing services of experts (like independent valuers, lawyers, legal experts and other professionals) to determine the valuation and enforceability of security of such advances. The Bank also makes additional provisions at higher than prescribed rates on certain identified exposures including advances in stressed sectors of the economy as specified under IRAC guidelines and the policy of the Bank. Since the identification of NPAs and Provisioning for advances require a significant level of estimation and given its significance to the overall audit, we have ascertained identification and provisioning for NPAs as a key audit matter.	b. We have tested key IT systems/ applications used and their design and implementation as well as operating effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI. c. We have verified advances on a sample basis, to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts for indicators of impairment, if any, provisions for non-performing assets, and compliance with IRAC guidelines. d. We performed data analysis checks on the advance and NPA dump provided by the Bank which includes borrower level NPA identification, date of NPA on the basis of days past due, checks on the asset classification etc. e. We have also reviewed the existence and effectiveness of internal mechanisms in the Bank in the areas of Internal Audit, Systems Audit, and Concurrent Audit and also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. in specific areas. f. We have reviewed the report of the external auditors regarding compliance of RBI circular in respect of IRAC automation. g. Assessed the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.
Information Technology (‘IT’) systems and controls impacting financial controls.	
Information Technology (‘IT’) systems and controls impacting financial reporting. The Bank’s IT architecture to process key financial accounting and reporting is complex involving number of independent and interdependent IT systems used in the operations of the Bank, and IT controls to process significant transactions volumes at numerous locations. As such there is high reliability on IT systems, appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.. The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter.	Our Audit procedures with respect to this matter included: 1) General IT controls design, observation and operation: • Obtain an understanding of the IT infrastructure and IT systems. • Testing the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations. 2) User access controls operation: • Reviewed processes followed by the management in respect of access rights granted to applicants relevant to financial accounting and reporting systems. • Assessing the operating effectiveness of controls over granting, removal and appropriateness of access rights. Other areas that were assessed under the IT control environment, included password and security related policies were also part of our audit procedures.

Information other than financial statements and auditors' report thereon

The Bank's Board of Directors is responsible for the other information. The Other Information comprises the information included in the Director's Report including annexures to the Director's report and Annual Report but does not include the Financial Statements and our Auditors' Report thereon. The Director's Report and Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

When we read the Director's Report and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of management and those charged with governance for the financial statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cashflows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars guidelines, and directions issued by the Reserve Bank of India ("RBI") from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI guidelines 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the financial statements, 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.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the bank has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management'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 Bank's ability 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 statements 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.

e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The financial statements for the year ended March 31, 2025 were audited by one of the joint auditors M/s Mukund M Chitale & Co, Chartered Accountants whose reports dated May 08, 2025, expressed an unmodified audit opinion on such financial statements. These reports have been relied upon by us for the purpose of the audit of the Statement.

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provision of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act and the relevant rules issued thereunder.

2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:

   a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.

   b. The transactions of the Bank, which have come to our notice while our audit, have been within the powers of the Bank.

   c. Since the key operations of the Bank are automated with the key applications integrated into the core banking systems, the audit is carried out centrally, as all the necessary records and data required for the purposes of our audit are available therein. Therefore, no separate returns are being received from the branches. During our audit we have visited 20 branches to examine the books of account and other records maintained at the branches and performed relevant audit procedures.

3. Further, as required by section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;

   c. the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and read with relevant rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

e. on the basis of written representation received from the directors as on March 31, 2026 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as director in terms of Section 164(2) of the Companies Act, 2013;

f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls with reference to financial statements.

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

   i. the Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 20 of Schedule 18 to the financial statements;

   ii. The Bank has no long term contracts including derivative contracts during the financial year.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2026.

   iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,

      1. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      2. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Bank from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      3. Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come

to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.

v. The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The Amount of dividend proposed is in accordance with Section 123 of the Act and RBI directions, as applicable.

vi. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirement for record retention.

h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the entity being a Banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

For Mukund M. Chitale & Co
Chartered Accountants
Firm Registration No: 106655W

Nilesh Joshi
Partner
Membership No. 114749
UDIN: 26114749LCAGUM9970

Place: Navi Mumbai
Date: May 07, 2026

For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

Rahul Joglekar
Partner
Membership No. 129389
UDIN : 26129389HRCODX8213

Place: Navi Mumbai
Date: May 07, 2026

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls with reference to financial statements of Suryoday Small Finance Bank Limited ("the Bank") as at March 31, 2026 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Bank considering essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's responsibility for internal financial controls

The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (" the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing ("the SAs"), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, both issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Bank's internal financial control with reference to financial statements includes those policies and procedures that:

a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and Directors of the Bank; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Mukund M. Chitale & Co
Chartered Accountants
Firm Registration No: 106655W

Nilesh Joshi
Partner
Membership No. 114749
UDIN: 26114749LCAGUM9970

Place: Navi Mumbai
Date: May 07, 2026

For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

Rahul Joglekar
Partner
Membership No. 129389
UDIN : 26129389HRCODX8213

Place: Navi Mumbai
Date: May 07, 2026

Balance Sheet

as at March 31, 2026

(₹ in '000)

	Schedule	As at March 31, 2026	As at March 31, 2025
CAPITAL AND LIABILITIES			
Capital	1	10,62,898	10,62,848
Reserves and Surplus	2	1,97,20,276	1,82,08,061
Deposits	3	13,99,40,423	10,57,96,110
Borrowings	4	3,12,23,624	2,71,02,868
Other liabilities and provisions	5	68,92,335	39,73,969
TOTAL		**19,88,39,556**	**15,61,43,856**
ASSETS			
Cash and balances with Reserve Bank of India	6	1,71,37,153	1,46,61,423
Balances with banks and money at call and short notice	7	38,50,481	24,32,425
Investments	8	3,69,25,640	3,13,74,843
Advances	9	12,87,87,632	9,97,43,499
Fixed Assets	10	29,80,422	29,01,356
Other Assets	11	91,58,228	50,30,310
TOTAL		**19,88,39,556**	**15,61,43,856**
Contingent liabilities	12	54,226	2,07,636
Bills for collection		-	-
Significant accounting policies and Notes to accounts	17 & 18		

The schedules referred to above form an integral part of the balance sheet

As per our report of even date

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration No: 106655W

Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
Partner
Membership No: 114749

Rahul Joglekar
Partner
Membership No: 129389

Krishna Prasad Nair
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and Chief Executive Officer
DIN-02303132

Vivek Karve
Director
DIN-06840707

Place: Navi Mumbai
Date: May 07, 2026

Place: Navi Mumbai
Date: May 07, 2026

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Profit and Loss Account

for the year ended March 31, 2026

(₹ in '000)

	Schedule	Year ended March 31, 2026	Year ended March 31, 2025
I. INCOME			
Interest earned	13	2,16,03,011	1,95,37,494
Other income	14	35,96,656	21,72,511
TOTAL		**2,51,99,667**	**2,17,10,005**
II. EXPENDITURE			
Interest expended	15	1,06,15,787	84,76,107
Operating expenses	16	1,07,43,326	93,41,882
Provisions and contingencies		23,20,812	27,42,370
TOTAL		**2,36,79,925**	**2,05,60,359**
III. PROFIT			
Net profit for the year		15,19,743	11,49,646
Net balance in profit and loss account brought forward		40,69,470	31,79,169
TOTAL		**55,89,213**	**43,28,815**
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		3,79,936	2,87,412
Transfer (from)/to Investment Fluctuation Reserve		(14,846)	(70,464)
Transfer to Capital Reserve		1,30,103	42,397
Balance carried over to Balance Sheet		50,94,020	40,69,470
TOTAL		**55,89,213**	**43,28,815**
V. EARNINGS PER EQUITY SHARE (Face value of ₹ 10 per share)			
Basic	18	14.30	10.82
Diluted	18	14.29	10.75
Significant accounting policies and Notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Profit and Loss Account
As per our report of even date

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration No: 106655W

Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
Partner
Membership No: 114749

Rahul Joglekar
Partner
Membership No: 129389

Krishna Prasad Nair
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and Chief Executive Officer
DIN-02303132

Vivek Karve
Director
DIN-06840707

Place: Navi Mumbai
Date: May 07, 2026

Place: Navi Mumbai
Date: May 07, 2026

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2026

(₹ in '000)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from operating activities		
Net profit before tax	19,95,725	14,38,257
Adjustments for:		
Depreciation on fixed assets	6,74,968	5,55,910
Provision for non performing assets	2,13,982	10,15,229
Provision for standard assets	64,058	91,334
Write off of advances	16,11,647	15,66,707
Reversal of provision on depreciation on investment	-	(8,82,906)
Other provision	17,798	(11,734)
(Profit) on sale of securities	(1,30,103)	(73,158)
(Profit) on sale of fixed assets	(370)	(512)
AFS reserve	(25,933)	-
Amortisation of premium on held to maturity investment	61,573	30,889
Employee stock option expenses	17,885	44,453
Floating provision	2,21,040	2,46,416
Provision on Security receipts (Reversal)	(97,407)	(55,066)
	46,24,863	**39,65,819**
Adjustments for:		
(Increase)/Decrease in investments	6,12,326	44,36,532
(Increase) in advances	(3,10,88,540)	(2,17,92,152)
Increase in deposits	3,41,44,313	2,80,23,435
(Increase) in others assets	(40,26,259)	(12,12,772)
Increase in other liabilities and provisions	28,34,248	3,69,581
	24,76,088	**98,24,624**
Direct taxes paid (net of refunds)	(5,77,643)	(5,90,642)
Net cash flow from operating activities	**65,23,308**	**1,31,99,801**
Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(7,55,902)	(17,69,324)
Proceeds from sale of fixed assets	2,239	539
Investment in fixed deposits	(11,64,809)	-
Net investment in banking book	(61,81,919)	(86,93,339)
Increase in investment on transition	-	(17,109)
Reserve on account of transfer of securities	-	17,109
Security receipts redeemed	1,84,734	(1,27,761)
Net cash used in investing activities	**(79,15,657)**	**(1,05,89,885)**
Cash flow from financing activities		
Proceeds from issue of share capital (inclusive of issue expense)	571	10,123
(Repayment of)/Proceeds from borrowings	41,20,755	26,73,068
Net cash flow (used in)/from financing activities	**41,21,326**	**26,83,191**
Net increase/(decrease) in cash and cash equivalents	**27,28,977**	**52,93,107**
Cash and cash equivalents at the beginning of the year	**1,70,29,473**	**1,17,36,365**

Cash Flow Statement

for the year ended March 31, 2026

(₹ in '000)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash and cash equivalents at the end of the year (Refer note below)	**1,97,58,450**	**1,70,29,473**
Note:		
Components of cash and cash equivalents:		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	1,71,37,153	1,46,61,423
Balances with banks in current Accounts (Refer Schedule 7 I (i) (a))	1,61,297	3,18,050
Balances with banks in other Deposit Accounts (Refer Schedule 7 I (i) (b)) *	24,39,184	3,14,375
Money at call and short notice (Refer Schedule 7 I (ii))	12,50,000	18,00,000
	-	-
Balances not considered as part of Cash and Cash equivalents	-	-
Less:Fixed Deposits with original maturity more than 3 months or Bank Deposits under lien	(12,29,184)	(64,375)
Cash and cash equivalents at the end of the year	**1,97,58,450**	**1,70,29,473**

*Exclusive of Fixed Deposits with original maturity more than 3 months or Bank Term Deposits under lien of ₹ 122.91 Crores (₹ 6.44 Crores as at March 31, 2025.)

As per our report of even date

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration No: 106655W

Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
Partner
Membership No: 114749

Rahul Joglekar
Partner
Membership No: 129389

Krishna Prasad Nair
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and Chief Executive Officer
DIN-02303132

Vivek Karve
Director
DIN-06840707

Place: Navi Mumbai
Date: May 07, 2026

Place: Navi Mumbai
Date: May 07, 2026

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Schedules forming part of the Balance Sheet

as at March 31, 2026

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 1 - CAPITAL

	As at March 31, 2026	As at March 31, 2025
Authorised Capital		
150,000,000 (March 31, 2025: 150,000,000) equity shares of ₹ 10 each	15,00,000	15,00,000
Issued, Subscribed and Paid-up Capital		
106,289,824 (March 31, 2025: 106,284,824) equity shares of ₹ 10 each fully paid up [Refer note -18 (1.a)]	10,62,898	10,62,848
	10,62,898	**10,62,848**

SCHEDULE 2 - RESERVES AND SURPLUS

		As at March 31, 2026	As at March 31, 2025
I.	**Statutory Reserve[1]**		
	Opening balance	17,21,162	14,33,750
	Addition during the period	3,79,936	2,87,412
	Total	**21,01,098**	**17,21,162**
II.	**Capital Reserve**		
	Opening balance	56,254	13,857
	Addition during the period	1,30,103	42,397
	Total	**1,86,357**	**56,254**
III.	**Share Premium**		
	Opening balance	1,18,85,527	1,18,72,463
	Addition during the period	521	9,282
	Transfer from Employee Stock Options Reserve on exercise of stock options	244	3,782
	Total	**1,18,86,292**	**1,18,85,527**
IV.	**General Reserve**		
	Opening balance	1,14,442	75,467
	Rs: Genral Reserve On Transfer	-	8,673
	Rs: Genral Reserve On Transfer- Level 3	-	8,436
	Addition during the period	35,784	21,866
	Total	**1,50,226**	**1,14,442**
V.	**Employee Stock Options Reserve**		
	Opening balance	1,19,809	1,01,008
	Employee compensation expense for the period	17,885	44,450
	Transfer to Share Premium Account/Share Capital on exercise of stock options	(244)	(3,782)
	Transfer to General Reserve for Non- exercise of ESOP's	(35,784)	(21,866)
	Total	**1,01,666**	**1,19,809**
VI.	**Investment Reserve**		
	Opening balance	-	-
	Addition during the period	-	-
	Total	-	-
VII.	**Investment Fluctuation Reserve[2]**		
	Opening balance	2,41,396	3,11,860
	Addition/(Deletion) during the period [Refer note - 18(1)(c)(iii)]	(14,846)	(70,464)
	Total	**2,26,550**	**2,41,396**
VIII.	**AFS Reserve**		
	Opening balance	-	-
	Addition/(Deletion) during the period [Refer note - 17(3)(a)]	(25,933)	-
	Total	**(25,933)**	**-**

Schedules forming part of the Balance Sheet

as at March 31, 2026

(All amounts are in Indian Rupees in thousands unless otherwise stated)

		As at March 31, 2026	As at March 31, 2025
IX.	**Balance in Profit and Loss Account**		
	Balance brought from Profit and Loss	50,94,020	40,69,470
	Total	**50,94,020**	**40,69,470**
	Total (I+II+III+IV+V+VI+VII+VIII+IX)	**1,97,20,276**	**1,82,08,061**

1 Statutory reserve has been created pursuant to section 17(1) and section 11(2)(b)(ii) of Banking Regulation Act, 1949. Also, refer note 18 (1)(c)(i).

2 Represents an amount transferred to Investment Fluctuation Reserve (IFR) from disposable profit. As per the RBI guidelines, an amount not less than the lower of net profit on sale of AFS and FVTPL (Including held-for-trading (HFT))category investments during the year or net profit for the year less mandatory appropriations is required to be transferred to IFR, until the amount of IFR is at least 2% of the AFS and FVTPL (Including held-for-trading (HFT)) portfolio. The Bank can drawdown balance available in IFR in excess of 2% of its AFS and FVPL portfolio. Also, refer note 18(1)(c)(iii).

SCHEDULE 3 - DEPOSITS

		As at March 31, 2026	As at March 31, 2025
A. I.	**Demand Deposits**		
	i) From banks	11,40,255	9,02,779
	ii) From others	88,33,923	74,18,260
	Total	**99,74,178**	**83,21,039**
II	**Savings Bank Deposits**	2,16,46,249	1,37,95,989
III.	**Term Deposits**		
	i) From banks	1,27,32,981	1,27,61,253
	ii) From others	9,55,87,015	7,09,17,829
	Total	**10,83,19,996**	**8,36,79,082**
	Total (I+II+III)	**13,99,40,423**	**10,57,96,110**
B. I.	Deposits of branches in India	13,99,40,423	10,57,96,110
II.	Deposits of branches outside India	-	-
	Total (I+II)	**13,99,40,423**	**10,57,96,110**

Out of total deposits of ₹13,994.04 crore (previous year: ₹10579.61 crore), deposits against which lien marked is ₹865.31 crore (previous year: ₹ 429.25 crore).

SCHEDULE 4 - BORROWINGS

		As at March 31, 2026	As at March 31, 2025
I.	**Borrowings in India***		
	i) Reserve Bank of India	30,00,000	25,00,000
	ii) Other Bank	-	-
	iii) Other institutions and agencies#	2,82,23,624	2,46,02,868
	Total	**3,12,23,624**	**2,71,02,868**
II.	**Borrowings outside India**	-	-
	Total (I+II)	**3,12,23,624**	**2,71,02,868**

*Secured Borrowings is ₹ 2,639 crores (March 31, 2025: ₹ 2,229 crores) other than Tri-Party Repo and Repo.

#Includes Subordinate debt of ₹ 100 crores (March 31, 2025: ₹ 100 crores) which is part of Tier 2 capital.

Schedules forming part of the Balance Sheet

as at March 31, 2026

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

		As at March 31, 2026	As at March 31, 2025
I.	Bills payable	3,16,496	2,51,801
II.	Inter - office adjustments (net)	-	-
III.	Interest accrued	3,23,767	1,88,551
IV.	Others (including provisions)	-	-
	(i) Contingent provisions against standard assets	4,48,454	3,78,945
	(ii) Others liabilities [Refer note 18(20)(g)]	58,03,618	31,54,672
	Total (I+II+III+IV)	**68,92,335**	**39,73,969**

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in '000)

		As at March 31, 2026	As at March 31, 2025
I.	Cash in hand	1,33,858	1,17,402
II.	Balances with Reserve Bank of India	-	-
	i) in Current account	36,73,295	34,74,021
	ii) in Other accounts	1,33,30,000	1,10,70,000
	Total (I+II)	**1,71,37,153**	**1,46,61,423**

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

		As at March 31, 2026	As at March 31, 2025
I.	**In India**		
	i) Balances with banks		
	a) In Current accounts	1,61,297	3,18,050
	b) In Other deposit accounts	24,39,184	3,14,375
	Total	**26,00,481**	**6,32,425**
	ii) Money at call and short notice		
	a) With banks	12,50,000	8,00,000
	b) With other institutions	-	10,00,000
	Total	**12,50,000**	**18,00,000**
	Total (i+ii)	**38,50,481**	**24,32,425**
II.	**Outside India**		
	i) In Current account	-	-
	ii) In other Deposit account	-	-
	iii) Money at call and short notice	-	-
	Total	**-**	**-**
	Total (I+II)	**38,50,481**	**24,32,425**

Schedules forming part of the Balance Sheet

as at March 31, 2026

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 8 - INVESTMENTS

		As at March 31, 2026	As at March 31, 2025
A.	**Investments in India**		
	i) Government securities	2,83,33,069	2,80,18,647
	ii) Other approved securities	-	-
	iii) Shares	1,21,389	20,720
	iv) Debentures and bonds	17,87,506	-
	v) Subsidiaries and/or joint ventures	-	-
	vi) Others (Certificate of Deposit, Security Receipts, Mutual funds)	66,83,676	33,35,476
	Total	**3,69,25,640**	**3,13,74,843**
B.	**Investments outside India**		
	i) Government securities	-	-
	ii) Subsidiaries and/or joint ventures	-	-
	iii) Others Investments	-	-
	Total	**-**	**-**
	Total (A+B)	**3,69,25,640**	**3,13,74,843**
C.	**Investments**		
	i) Gross value of investments		
	a) In India	3,70,57,530	3,15,81,806
	b) Outside India	-	-
	Total	**3,70,57,530**	**3,15,81,806**
	ii) Provision for depreciation		
	a) In India	1,31,890	2,06,963
	b) Outside India	-	-
	Total	**1,31,890**	**2,06,963**
	iii) Net value of investments		
	a) In India	3,69,25,640	3,13,74,843
	b) Outside India	-	-
	Total (i-ii)	**3,69,25,640**	**3,13,74,843**

SCHEDULE 9 - ADVANCES*

		As at March 31, 2026	As at March 31, 2025
A	i) Bills purchased and discounted	40,71,082	25,93,718
	ii) Cash credits, overdrafts and loans repayable on demand	39,63,720	36,82,430
	iii) Term loans	12,07,52,830	9,34,67,351
	Total	**12,87,87,632**	**9,97,43,499**
B	i) Secured by tangible assets	1,33,24,673	4,73,32,506
	ii) Covered by Bank/Government Guarantees	6,47,86,278	1,15,27,706
	iii) Unsecured	5,06,76,681	4,08,83,287
	Total	**12,87,87,632**	**9,97,43,499**
C. I.	Advances in India		
	i) Priority sectors	7,47,14,057	6,84,14,361
	ii) Public sector	-	-
	iii) Banks	35	6,145
	iv) Others	5,40,73,540	3,13,22,993
	Total	**12,87,87,632**	**9,97,43,499**
C. II.	Advances outside India		
	i) Due from banks	-	-
	ii) Due from others	-	-
	(a) Bills purchased and discounted	-	-
	(b) Syndicated loans	-	-
	(c) Others	-	-
	Total	**-**	**-**

*Advances are net of provisions

Schedules forming part of the Balance Sheet

as at March 31, 2026

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 10 - FIXED ASSETS

		As at March 31, 2026	As at March 31, 2025
I	**Premises**		
	i) Gross Block		
	At cost on March 31 of the preceding year	31,872	31,872
	Additions during the year	12,90,961	-
	Deductions during the year	-	-
	Total	**13,22,833**	**31,872**
	ii) Depreciation to date		
	As at March 31 of the preceding year	16,567	15,784
	Charge for the year	10,829	784
	Deductions during the year	-	-
	Total	**27,396**	**16,568**
	Net Block (i-ii)	**12,95,437**	**15,304**
II	**Other fixed assets (including furniture & fixtures and software)**		
	Gross Block		
	i) At cost on March 31 of the preceding year	35,15,787	29,62,402
	Additions during the year	7,61,556	5,90,231
	Deductions during the year	(43,975)	(36,846)
	Total	**42,33,368**	**35,15,787**
	ii) Depreciation to date		
	As at March 31 of the preceding year	19,75,034	14,56,724
	Charge for the year	6,64,138	5,55,127
	Deductions during the year	(42,106)	(36,818)
	Total	**25,97,066**	**19,75,033**
	Net Block (i-ii)	**16,36,302**	**15,40,754**
III	**Capital work in progress**	48,683	13,45,298
	Total (I+II+III)	**29,80,422**	**29,01,356**

SCHEDULE 11 - OTHER ASSETS

		As at March 31, 2026	As at March 31, 2025
I.	Inter - office adjustments (net)	-	-
II.	Interest accrued	21,95,650	14,78,491
III.	Tax paid in advance/tax deducted at source (net of provision for tax)	79,948	1,43,281
IV.	Stationery and stamps	-	-
V.	Non-banking assets acquired in satisfaction of claims	-	-
VI.	Deferred tax assets (net)	8,45,390	6,73,044
VII.	Others [Refer note 18(20)(g)]	60,37,240	27,35,494
	Total	**91,58,228**	**50,30,310**

SCHEDULE 12 - CONTINGENT LIABILITIES

		As at March 31, 2026	As at March 31, 2025
I.	Claims against the bank not acknowledged as debts	12,724	17,147
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	-	-
IV.	Guarantees given on behalf of constituents:	-	-
	(a) In India	-	-
	(b) Outside India	-	-
V.	Acceptances, endorsements and other obligations	-	-
VI.	Other items for which the bank is contingently liable	41,502	1,90,489
	Total	**54,226**	**2,07,636**

Schedules forming part of the Profit and Loss Account

for the year ended March 31, 2026

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 13 - INTEREST EARNED

		Year ended March 31, 2026	Year ended March 31, 2025
I.	Interest/discount on advances/bills	1,89,36,142	1,72,48,270
II.	Income on investments	21,42,737	19,86,231
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	4,77,108	2,43,002
IV.	Others	47,024	59,991
	Total	**2,16,03,011**	**1,95,37,494**

SCHEDULE 14 - OTHER INCOME

		Year ended March 31, 2026	Year ended March 31, 2025
I.	Commission, exchange and brokerage	29,32,684	15,99,477
II.	Profit/(Loss) on revaluation of investments (net)	1,31,108	81,250
III.	Profit/(Loss) on sale of fixed assets (net)	867	539
IV.	Miscellaneous income [Refer note - 18(20)(f)(i)]	5,31,997	4,91,245
	Total	**35,96,656**	**21,72,511**

SCHEDULE 15 - INTEREST EXPENDED

		Year ended March 31, 2026	Year ended March 31, 2025
I.	Interest on deposits	88,15,253	67,19,501
II.	Interest on Reserve Bank of India/inter-bank borrowings	1,59,123	2,86,502
III.	Others	14,70,104	14,70,103
	Total	**1,06,15,787**	**84,76,107**

SCHEDULE 16 - OPERATING EXPENSES

		Year ended March 31, 2026	Year ended March 31, 2025
I.	Payments to and provisions for employees	51,24,885	44,42,265
II.	Rent, taxes and lighting	6,84,650	6,04,312
III.	Printing and stationery	49,262	53,634
IV.	Advertisement and publicity	1,09,505	59,586
V.	Depreciation on Bank's property	6,74,967	5,55,910
VI.	Director's fees/remuneration, allowances and expenses	13,691	17,355
VII.	Auditors' fees and expenses	10,548	9,049
VIII.	Law charges	41,886	51,887
IX.	Postage, Telegrams, Telephones, etc.	67,570	93,315
X.	Repairs and maintenance	11,49,233	8,39,171
XI.	Insurance	10,27,059	9,07,016
XII.	Other expenditure (includes professional fees) [Refer note - 18(20)(f)(ii)]	17,90,070	17,08,382
	Total	**1,07,43,326**	**93,41,882**

Schedules to the Financial Statements

for the year ended March 31, 2026

Schedule 17 – Basis of preparation and significant accounting policies

1. Background and nature of operations

Suryoday Small Finance Bank Limited (the 'Bank' or 'Company') started its banking operation in January 2017 pursuant to SFB Licence given by Reserve Bank of India (RBI). The Bank is included in the Second schedule to the Reserve Bank of India Act, 1934 vide Notification No. DBR.NBD. (SFB- Suryoday). No. 766/16.13.216/201718 dated 24 July 2017 and published in the Gazette of India (part III- Section 4) dated 2 September 2017. The Bank's equity shares are listed on NSE and BSE. The Bank operates with 717 banking outlets as on March 31, 2026.

The Bank is primarily engaged in extending micro credit to economically weaker section who are otherwise unable to access finance from the mainstream banking channels. The Bank broadly follows the Grameen model with suitable adaptations using the Joint Liability Groups (JLG) framework, where each member of the group guarantees the loan repayment of the other members of the group. The Bank also provides finance for Individual unsecured loans (Vikas Loans), mortgage loans, commercial vehicles, loans to micro, small and medium enterprises and loans to non-banking finance companies (NBFCs).

2. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time (RBI guidelines), Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, in so far as they apply to banks.The financial statements are presented in Indian Rupees rounded off to the nearest thousands unless otherwise stated.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates, actual results could differ from estimates and the differences between the actual results and the estimates are recognised prospectively in which actuals are ascertained. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

3. Significant accounting policies

A. Investments

Classification:

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into "Available for Sale" ('AFS'), "Fair Value Through Profit & Loss (FVTPL)/Held for Trading" ('HFT'), and "Held to Maturity" ('HTM') categories (hereinafter called "categories"). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines.

Under each of these categories, investments are further classified under six groups (hereinafter called "groups") – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries/Joint Ventures and Other Investments.

Purchase and sale transactions` in central and state government securities are recorded under 'Settlement Date' of accounting.

The Bank follows Settlement date accounting for purchase and sale of investments in accordance with RBI Guidelines.

Bank categorizes the investment portfolio under AFS and FVTPL into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined in the Reserve Bank of India (Small Finance Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025.

Level 1: Level 1 inputs are quoted prices in active markets for identical instruments that the bank can access as on the measurement date.

Level 2: Level 2 inputs are other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs.

Schedules to the Financial Statements

for the year ended March 31, 2026

Levelling of securities under AFS and FVTPL category i.e. L1, L2 and L3 is required only on reporting date.

Basis of classification:

Investments which the Bank intends to hold till maturity with the objective to collect the contractual cash flows are classified as HTM securities The contractual terms give rise to cash flows that are Solely Payments of Principal and Interest (SPPI criterion) on principal outstanding on the specified dates.

Investments which are acquired with the objective that is achieved by both, collecting contractual cash flows and selling securities are classified under AFS category and meeting SPPI criteria. Also, provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading.

Fair Value through Profit and Loss (FVTPL): FVTPL is a residual category, thus securities that do not qualify for inclusion in HTM or AFS would be classified under FVTPL. Held for Trading (HFT), which is a sub-category of Fair Value through Profit and Loss (FVTPL).

Recognition and Measurement

- Initial Recognition

All investments are measured at fair value on initial recognition.

In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted shall be the fair value for initial recognition purposes.

Brokerage, commission, etc. and broken period interest on debts instruments are recognised in Statement of profit or loss and are not included in the cost of acquisition.

Day 1 Gain/loss on initial recognition: A day 1 gain or loss arise on initial recognition of an investment, due to the difference between the fair value and the acquisition cost. Any Day 1 gain/loss is recognised in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments.

Any Day 1 loss arising from Level 3 investments is recognised immediately.

In the case of debt instruments (Level 3), the Day 1 gain shall be amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain shall be set aside as a liability until the security is listed or derecognised.

Subsequent measurement

HTM

Securities held in HTM is carried at cost and is not marked to market (MTM) after initial recognition.

Any discount or premium on the securities under HTM is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8:'Investments.

AFS

Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8:'Investments'.

The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS is aggregated. The net appreciation or depreciation is directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall not be transferred from AFS-Reserve to the Profit and loss A/c. Instead, such gain or loss shall be transferred from AFS reserve to the Capital Reserve.

FVTPL

The securities held in FVTPL is fair valued and the net gain or loss arising on such valuation is directly credited or debited to the Profit and Loss Account. Securities that are classified

Schedules to the Financial Statements

for the year ended March 31, 2026

under the HFT sub-category within FVTPL is fair valued on a daily basis whereas other securities in FVTPL is fair valued at least on a quarterly, if not on a more frequent basis.

Any discount or premium on the acquisition of debt securities under FVTPL is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8:'Investments'.

Reclassification between categories

Reclassifications of investments between categories, if any are considered in accordance with the extant RBI guidelines with the approval of the Board of Directors and prior approval of the Department of Supervision (DoS), RBI:

If a bank is permitted to reclassify its investment portfolio, it applies the reclassification prospectively from the reclassification date. The reclassification date is to be the first day of the first reporting period following the supervisory permission allowing reclassification of financial asset.

Following is the accounting treatment is to be as given at the time of reclassification of investments from one category to another category:

a) Reclassification from HTM to AFS is made at fair value. The fair value measured at the reclassification date is to be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value is to be recognised in AFS-Reserve.

b) Reclassification from HTM to FVTPL is made at fair value. The fair value measured at the reclassification date is to be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments is to be recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.

c) Reclassification from AFS to HTM is made at its fair value at the reclassification date. However, the cumulative gain/loss previously recognised in the AFS-Reserve is to be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value is to be the same as if the bank had classified the investment in HTM ab initio itself.

d) Transfer from AFS to FVTPL is made at fair value and The cumulative gain or loss previously recognised in AFS-Reserve is to be withdrawn therefrom and recognized in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14:'Other Income.

e) Transfer from FVTPL to HTM/AFS is made at carrying value which represents fair value at the reclassification date. Difference between the book value after amortization and Fair value on the reclassification date is to be booked under P/L on Portfolio Shifting revaluation.

Disposal of Investments

Profit/Loss on sale of investments in HTM, AFS and FVTPL is recognised in the Statement of profit or Loss. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is appropriated from Statement of Profit and Loss to "Capital Reserve" in accordance with the RBI Guidelines.

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/loss for that security in the AFS-Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II Profit on sale of investments under Schedule 14-Other Income.

In any financial year, the carrying value of investments sold out of HTM does not exceed five per cent of the opening carrying value of the HTM portfolio (Except exclusions given in New Circular Reference to be given "Reserve Bank of India (Small Finance Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025 Chapter VIII - Sale of investments from HTM para 69. Any sale beyond this threshold require prior approval from DoS, RBI.

Schedules to the Financial Statements

for the year ended March 31, 2026

Valuation

The fair value for the quoted securities are the prices declared by the Financial Benchmarks India Private Ltd. (FBIL) in accordance with RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018, as amended from time to time. For securities whose prices are not published by FBIL, the fair value of the quoted security is based upon quoted price as available from the trades/quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

Non-performing investments are identified and depreciation/provision are made thereon based on the RBI guidelines. The depreciation/ provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Statement of Profit and Loss until received.

In accordance with the RBI guidelines, repurchase and reverse repurchase transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standing Facility ('MSF') with RBI are accounted as borrowing and lending transactions respectively.

Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions is accounted for as interest income.

The valuation of other unquoted fixed income securities (viz. State Government securities, other approved securities, bonds and debentures) and preference shares, is done with a mark-up (reflecting associated credit and liquidity risk) over the YTM rates for government securities published by FIMMDA/FBIL.

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value for the purposes of these directions is to be the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up is not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares are to be valued at ₹ 1 per company.

Transition date accounting

Transition to the new guidelines of RBI

As on the date of transition, the Bank follows:

I. The securities under the earlier categories, viz HTM, AFS and HFT are to be classified under new categories HTM, AFS and FVTPL (including FVTPL-HFT).

II. The balance in provision for depreciation, as at March 31, 2024, is be reversed into the General Reserve.

III. Amortisation of discounted securities of HTM Portfolio (from last purchase date to March 31, 2024) is to be accounted through debit the Investment ledger and credit the General Reserve ledger.

IV. Securities in AFS and FVTPL portfolio are to be transferred at market value. Also, the difference between the book value as on March 31, 2024 and the market value is be accounted in General Reserve.

Investment Fluctuation Reserve

The Bank creates an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the following: i. Net profit on sale of investments during the year. ii. Net profit for the year, less mandatory appropriations.

The Bank is permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit/loss as disclosed in the profit and loss account at the end of any accounting year.

Short Sale

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category

Schedules to the Financial Statements

for the year ended March 31, 2026

and netted off from investments in the Balance Sheet. These positions are marked- to- market along with the other securities under HFT portfolio. The mark to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

B. Advances

Classification

Advances are classified as performing and non-performing advances ('NPAs') as per the RBI guidelines on Income Recognition and Asset Classification and are stated net of specific provisions made towards NPAs and inter-bank participation with risk. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI.

The bank transfers advances through Inter- Bank Participation arrangements with and without risk, which are accounted for in accordance with the RBI guidelines, as follows:

a) In the case of participation with risk, the aggregate amount of participation transferred out of the Bank is reduced from Advances; and participations transferred in to the Bank are classified under Advances.

b) In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings; and where the bank is participating in, the aggregate amount of participation is shown as due from banks under Advances.

Provisioning

Provisions for NPAs are made for sub-standard, doubtful assets and Loss at rates as prescribed by the RBI guidelines or the policy of the Bank whichever is higher. While framing policy, the bank has stipulated accelerated provisioning based on past experience, evaluation of securities and other related factors.

Loans given under Emergency Credit Line Guarantee Scheme (ECLGS) classified as NPA are not provided for since these are fully guaranteed under the ECGLS scheme of Government of India.

Loans covered by Credit Guarantee Fund for Micro Units Scheme administered by National Credit Guarantee Trustee Company Limited (CGFMU Scheme) classified as NPA are provided to the extent of portion not guaranteed under the CGFMU Scheme.

NPA accounts are written off in accordance with RBI guidelines and Bank's Policy post approval from Board of Directors (BOD). Amounts recovered against debts written-off are recognised in the Profit and Loss account.

For restructured/rescheduled assets, provision is made in accordance with guidelines issued by RBI. The restructured accounts are classified in accordance with RBI guidelines.

Provisions created against individual accounts as per RBI guidelines are not netted in the individual account. For presentation in financial statements, provision created is netted against gross amount of Advance. Provision held against an individual account is adjusted against account balance at individual level only at the time of write-off/settlement of the account.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI. Provision made against standard assets is included in "Other liabilities & provisions and not netted off against Advances.

In addition to the above, the Bank on a prudent basis makes provisions on advances or exposures which are not NPAs but has reasons to believe on the basis of the extant environment or specific information or basis regulatory guidance/instructions, of a possible slippage of a specific advance or a group of advances or exposures or potential exposures. These are classified as contingent provisions and included under other liabilities.

Floating Provision

Provisions made in excess of the Bank's policy for specific loan provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by the Bank up to a level approved by the BOD. In accordance with the RBI guidelines, floating provisions are used up to a level approved by the BOD and RBI only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any other regulatory guidelines as applicable. The floating provision is netted-off from advances.

Schedules to the Financial Statements

for the year ended March 31, 2026

The Bank recognises the provision for unhedged foreign currency exposure of its borrowers as per regulatory guidelines stipulated by the RBI from time to time and as per methodology prescribed. The provisions are included in provision for standard assets and reported under other liabilities.

C. Transfer and Servicing of Assets

The Bank transfers loans through securitisation transactions in accordance with Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021. The transferred loans are de-recognised, and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract.

In accordance with the RBI guidelines for securitisation of standard assets, the profit/ premium arising from sell down/securitisation to be amortised over the life of the transaction based on the method prescribed in the guidelines and the loss, if any, arises in the sell down/securitisation transaction, is recognised upfront in the Profit or Loss Account.

The Bank transfers advances through inter-bank participation with risk. In accordance with the RBI guidelines, for participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances.

On sale of stressed assets, if the sale is at a price below the net book value, the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess is credited as profit to the Profit and Loss Account in the year when the initial consideration received in cash and/ or redemption or transfer of security receipts issued by Securitisation company ('SC')/ Reconstruction Company ('RC') is higher than the net book value of the loan at the time of transfer.

In respect of stressed assets sold under an asset securitisation, where the investment by the bank in security receipts (SRs) backed by the assets sold by it is more than 10 percent of such SRs, provisions held on the SRs are higher of the provisions required in terms of net asset value declared by the SC/RC and provisions as perSection 77A of Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 as amended from time to time., notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of the Bank.

D. Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction, the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as 'Miscellaneous Income' and the fee paid for purchase of the PSLCs is recorded as 'Other Expenditure' in Profit and Loss account. The Bank accounts for the income and expense on upfront basis.

E. Foreign Currency Transactions

Initial Recognition:

Transactions in foreign currencies entered into by the Bank are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items, if any, of the Bank, outstanding at the balance sheet date are restated at the rates prevailing at the year-end as notified by Foreign Exchange Dealers Association of India('FEDAI'). Non-monetary items of the Bank are carried at historical cost.

Contingent liabilities on account of foreign exchange contracts, currency future contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

Treatment of Exchange differences

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Bank are recognised as income or expense in the Profit and Loss Account.

F. Revenue Recognition

(i) Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of non-performing

Schedules to the Financial Statements

for the year ended March 31, 2026

assets is recognised upon realisation as per income recognition and asset classification norms of RBI.

(ii) Interest on advances transferred under securitisation arrangements meeting the criteria stipulated in para C above are not recognised in Profit and Loss Account. The bank's share of the securitization income is recognised on receipt basis.

(iii) Income on non-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis.

(iv) Loan processing fees including processing fees on committed lines is accounted for upfront when it becomes due.

(v) Interest income on deposits with banks and financial institutions is recognized on a time proportion basis taking into accounts the amount outstanding and the implicit rate of interest.

(vi) Dividend is recognised as income when the right to receive the dividend is established.

(vii) Income from units of mutual funds, alternative investment funds, and other such pooled/collective investment funds shall be recognized on cash basis.

(viii) All other fees are accounted for as and when they become due.

G. Property, Plant and Equipment (PPE) (Fixed Assets) and Depreciation

Tangible Assets

PPE are stated at cost less accumulated depreciation/amortization and impairment loss, if any. The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure on PPE after it purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is charged over the estimated useful life of the fixed asset on Straight Line Method when the asset is available for use i.e. when it is capable of operating in the manner intended by management. Residual value considered for computing depreciation is as per Schedule II of the Act (i.e. 5% of Cost) except for Software and Lease hold assets. Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase. Assets purchased/sold during the year are depreciated on a pro-rata basis. Depreciation rate used by the Bank are in line with those specified under Schedule II of the Companies Act, 2013.

The details of useful life are as under:

Class of Assets	Estimated useful life
Computers & Accessories	3 years
Office equipment	5 years
Premises	60 years
Furniture and fittings	10 years
Vehicle	8 Years

Leasehold Improvements: Improvements to leasehold premises are amortised over the primary period of lease or estimated useful life, whichever is lower.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Profit and Loss Account.

Gains or losses arising from disposal or retirement of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" as Profit/(Loss) on sale of PPE, as the case maybe, in the Profit and Loss Account in the year of disposal or retirement.

PPE held for sale is valued at lower of their carrying amount and net realisable value, any write-down is recognised in the Profit and Loss

H. Intangible Assets

Intangible assets, primarily comprise of software, goodwill, patents, trademarks, and copyrights are amortized over a period of 60 months or license period whichever is lower on a straight-line basis with zero residual value.

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried

Schedules to the Financial Statements
for the year ended March 31, 2026

at cost less accumulated amortization and accumulated impairment losses, if any.

I. Capital Work in Progress

Costs incurred towards acquisition of assets, including expenses incurred prior to those assets being put to use and directly attributable to bringing them to their working condition are included under "Capital Work in Progress". Capital Work in Progress including Software under development are stated at the amount incurred up to the date of Balance Sheet.

I. Leases

Operating Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership for the leased term are classified as operating leases in accordance with Accounting Standard 19, Leases. The office premises are generally rented on cancellable terms or renewable at the option of both the parties. Computers and tablets are rented on operating lease. Operating lease rentals are recognised as an expense on straight-line basis over the lease period in accordance with the AS 19, Leases

J. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized in profit and loss account wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account

K. Taxation

Tax expense comprises current and deferred tax

Current Tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. "Current income tax relating to items recognised directly in reserve is recognised in respective reserve and not in Profit and Loss Account."

Deferred Tax:

Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred income tax relating to items recognised directly in reserve is recognised in respective reserve and not in Profit and Loss Account.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Bank writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

L. Earnings Per Share

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – Earnings per share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Schedules to the Financial Statements

for the year ended March 31, 2026

Diluted earnings per equity share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted to equity during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and potential dilutive equity shares outstanding during the period except where the results are anti-dilutive.

M. Provisions, contingent liabilities and contingent assets

In accordance with AS 29, Provision, Contingent liabilities and Contingent Assets, the provision is recognised when the Bank has a present obligation as a result of past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements.

N. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice. Cash and Cash Equivalents for the purpose of Cash Flow Statement comprises of Cash at Bank and in hand and short-term Investments with an original maturity of less than three months and without any charge.

O. Borrowing cost

Borrowing cost includes arranger fees, processing fees, stamp duty on issuance of debenture certificates and other associated transaction cost related to borrowing from banks and other financial institutions. borrowing costs are recognised upfront.

P. Retirement and other employee benefits

Employee benefits include Provident Fund, Employee state insurance schemes, Gratuity and Compensated Absences.

(i) Defined Contribution Plans

Retirement benefits in the form of provident fund and employee state insurance schemes are defined contribution schemes and the contributions are charged to the Profit and Loss Account for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(ii) Defined Benefit Plan

Gratuity:

The Bank operates a defined benefit scheme for its employees, viz., gratuity scheme. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end.

Separate actuarial valuation is carried out for each plan using the projected unit credit method. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liabilities is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff alteration as per projected unit credit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

Other Employee Benefits

Compensated Absences:

The Bank accrues the liability for compensated absences based on the actuarial valuation as on the Balance Sheet date conducted by an independent actuary which includes

Schedules to the Financial Statements

for the year ended March 31, 2026

assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as on the Balance Sheet date. Actuarial gains/losses are recognised in the Profit and Loss Account in the period in which they arise.

Q. Employee Stock Compensation Cost

Employees (including senior executives) of the Bank receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, the cost of equity-settled transaction is measured using the fair value method and recognized, together with a corresponding increase in the "Employees Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Profit and Loss Account for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

R. Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013 and RBI approval in accordance with RBI/2006-07/132 DBOD.BP.BC No. 31/21.04.018/2006-07.

S. Segment information

In accordance with guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007 and Accounting Standard 17 (AS-17) on "Segment Reporting", the Banks' business has been segregated into Treasury, Retail Banking and Corporate/Wholesale Segments.

Segment revenues consist of earnings from external customers and inter-segment revenues based on a transfer pricing mechanism. Segment expenses consist of interest expenses including allocated operating expenses and provisions. Segment results are net of segment revenues and segment expenses.

Segment assets include assets related to segments and exclude tax related assets. Segment liabilities include liabilities related to the segment excluding net worth and dividend liability, if any.

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.

T. Corporate Social Responsibility (CSR)

Expenditure towards CSR, in accordance with Companies Act, 2013, is recognised in the Profit and Loss Account.

U. Proposed Dividend

Proposed dividend/declared after the balance sheet date is accrued in the books of the Bank in the year in which the dividend is declared.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

SCHEDULE 18- NOTES TO THE FINANCIAL STATEMENTS

1. Regulatory Capital

a) (i) Composition of Regulatory Capital

The Capital adequacy ratio ("CAR") has been computed as per operating guideline for Small Finance Bank in accordance with RBI Circular No. RBI/DOR/2025-26/182 DOR.CAP.REC.101/21-01-002/2025-26, dated November 28, 2025.The total Capital Adequacy ratio of the Bank as at March 31, 2026 is 20.45% (March 31, 2025: 25.83%) against the regulatory requirement of 15.00% as prescribed by RBI.

The following table sets forth, for the year indicated, computation of capital adequacy as per operating guidelines.

Particulars	As at March 31, 2026	As at March 31, 2025
i) Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	1,970.28	1,807.85
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	1,970.28	1,807.85
iv) Tier 2 capital	86.96	102.04
v) Total capital (Tier 1+Tier 2)	2,057.24	1,909.89
vi) Total Risk Weighted Assets (RWAs)	10,059.71	7,393.89
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	19.59%	24.45%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	19.59%	24.45%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.86%	1.38%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.45%	25.83%
xi) Leverage Ratio	9.90%	11.62%
xii) Amount of paid-up equity capital raised during the year	-	-
xiii) Amount of non-equity Tier 1 capital raised during the year	-	-
xiv) Amount of Additional Tier 2 capital raised during the year	-	-

Subordinated debt (Tier 2 capital) outstanding as at March 31, 2026 is ₹ 100.00 crores (March 31, 2025: ₹ 100.00 crores).

Further as per the RBI's directions given in the circular RBI/DOR/2025-26/182 DOR.CAP.REC.101/21-01-002/2025-26, dated November 28, 2025, no separate risk charge has been calculated for Market Risk and Operational Risk for capital ratios.

In accordance with the RBI guidelines, small finance banks are required to make Pillar 3 disclosure under Basel II regulation.These disclosures are available on the Bank's website at the following link: https://www.suryoday.bank.in/regulatory-disclosure. The above disclosures have not been subjected to audit by the statutory auditors of the Bank.

a) (ii) Capital Infusion

During the year ended March 31, 2026, the Bank allotted 5,000 (March 31, 2025: 84,126) equity shares having face value of ₹ 10 each aggregating to ₹ 0.06 crores including share premium (March 31, 2025: ₹ 1.01 crore) in respect of stock options exercised pursuant to ESOP scheme.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Details of movement in the paid up equity share capital are as below:

Particulars	March 31, 2026		March 31, 2025	
	Equity shares (Number)	(₹ in crores)	Equity shares (Number)	(₹ in crores)
Equity shares at the beginning of the year	10,62,84,824	106.28	10,62,00,698	106.20
Addition pursuant to stock options exercised	5,000	0.01	84,126	0.08
Addition pursuant to equity shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	**10,62,89,824**	**106.29**	**10,62,84,824**	**106.28**

b) Draw Down from Reserves

Share Premium

There has been no draw down from share premium during the year ended March 31, 2026 (March 31, 2025: ₹ Nil).

c) Appropriation to Reserves

i) Statutory Reserve

The Bank has made an appropriation of ₹ 37.99 crores (March 31, 2025: ₹ 28.74 crores) out of profits for the year ended March 31, 2026 to Statutory Reserve pursuant to the requirements of section 17(1) and section 11(2)(b)(ii) of Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

ii) Capital Reserve

During the year ended March 31, 2026, the Bank has been required to appropriate ₹ 13.01 crores (March 31, 2025: ₹ 4.24 crores) from profit and loss account to capital reserves being the profit from sale of investments under HTM category as per the RBI guidelines.

iii) Investment Fluctuation Reserve

During the year ended March 31, 2026, the Bank has transferred ₹ 1.48 crores (March 31, 2025: ₹ 7.05 crores) from Investment Fluctuation Reserve to Profit & Loss Account as per RBI guidelines.

d) Proposed dividend

The Board of Directors of the Bank at their meeting held on May 07, 2026, recommended the final dividend of ₹ 1.50 (Rupee One and Fifty Paise) per Equity Share of face value of ₹ 10 each fully paid up (i.e. 15% of face value) out of profit for the Financial Year ended March 31, 2026 (subject to approval of the Shareholders at the ensuing Annual General Meeting of the Bank and other requisite approvals, if any, in this regard) [March 31, 2025: ₹ Nil].

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

2. Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities

Particulars	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days and upto 2 months	Over 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Years and upto 5 years	Over 5 years	Total
As at March 31, 2026												
Deposits	170.41	670.33	411.42	545.45	292.15	411.11	1,229.28	2,117.41	5,937.20	2,198.07	11.23	13,994.04
Advances	7.44	358.09	75.33	119.41	495.88	554.54	1,332.93	2,673.77	4,034.71	1,162.65	2,064.01	12,878.76
Investments	800.21	214.51	36.12	168.63	448.81	63.57	233.71	413.01	921.47	349.14	43.39	3,692.56
Borrowings	-	83.10	-	318.83	-	156.11	265.37	492.74	1,229.94	576.27	-	3,122.36
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days and upto 2 months	Over 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Years and upto 5 years	Over 5 years	Total
As at March 31, 2025												
Deposits	92.06	377.97	207.41	206.03	228.88	527.90	903.15	2,161.87	4,778.46	1,087.70	8.18	10,579.61
Advances	8.89	256.17	60.86	85.39	486.39	481.66	1,178.85	2,066.48	2,864.19	962.87	1,522.60	9,974.35
Investments	1,030.35	46.24	33.43	89.47	85.02	93.78	234.46	527.27	792.46	201.42	3.58	3,137.48
Borrowings	-	396.27	-	43.83	12.50	101.11	227.44	439.88	1,262.54	226.72	-	2,710.29
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Liquidity Coverage Ratio (LCR)

i) Quantitative disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2026:

	Particulars	Quarter ended March 31, 2026		Quarter ended December 31, 2025		Quarter ended September 30, 2025		Quarter ended June 30, 2025	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
1	**Total High Quality Liquid Assets (HQLA)**		**3,449.72**		**3,371.01**		**3,242.85**		**3,108.74**
	Cash Outflows								
2	**Retail deposits and deposits from small business customers, of which:**	**8,500.11**	**842.81**	**7,808.84**	**774.76**	**7,069.49**	**701.18**	**6,241.17**	**621.17**
	(i) Stable deposits	144.03	7.20	122.50	6.12	115.44	5.77	58.93	2.95
	(ii) Less stable deposits	8,356.08	835.61	7,686.35	768.63	6,954.05	695.41	6,182.25	618.22
3	**Unsecured wholesale funding, of which:**	**3,074.15**	**2,151.59**	**2,650.70**	**1,837.68**	**2,525.60**	**1,776.95**	**2,205.57**	**1,564.90**
	(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	(ii) Non-operational deposits (all counterparties)	1,171.61	249.05	1,020.13	207.11	931.98	183.33	807.53	166.86
	(iii) Unsecured debt	1,902.54	1,902.54	1,630.57	1,630.57	1,593.62	1,593.62	1,398.04	1,398.04
4	**Secured wholesale funding**	**-**	**67.24**	**-**	**90.24**	**-**	**87.25**	**-**	**66.87**
5	**Additional requirements, of which**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(i) Outflows related to derivative exposures and other collateral requirement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligation	360.51	360.51	324.76	324.76	313.04	313.04	315.90	315.90
7	Other contingent funding obligations	849.27	42.46	643.46	32.17	526.00	26.30	434.99	21.75
8	**Total cash outflows**		**3,464.61**		**3,059.61**		**2,904.71**		**2,590.58**
	Cash Inflows								
9	Secured lending (e.g. reverse repo)	-	-	-	-	134.74	-	95.08	-
10	Inflows from fully performing exposures	1,045.04	735.37	925.07	637.86	798.80	536.79	797.12	539.44
11	Other cash inflows	142.28	71.14	171.94	85.97	196.34	98.17	175.17	87.58
12	**Total cash inflows**	**1,187.32**	**806.50**	**1,097.01**	**723.83**	**1,129.89**	**634.96**	**1,067.37**	**627.03**
13	**Total HQLA**		**3,449.72**		**3,371.01**		**3,242.85**		**3,108.74**
14	**Total Net Cash Outflows**		**2,658.11**		**2,335.78**		**2,269.74**		**1,963.55**
15	**Liquidity Coverage Ratio (%)**		**129.78%**		**144.32%**		**142.87%**		**158.32%**

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

i) Quantitative disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2025:

	Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024		Quarter ended September 30, 2024		Quarter ended June 30, 2024	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
1	**Total High Quality Liquid Assets (HQLA)**		**2,793.35**		**2,614.19**		**2,303.44**		**2,207.43**
	Cash Outflows								
2	**Retail deposits and deposits from small business customers, of which:**	**5,807.39**	**580.74**	**5,463.20**	**546.32**	**5,006.81**	**500.68**	**4,612.53**	**461.25**
	(i) Stable deposits	-	-	-	-	-	-	-	-
	(ii) Less stable deposits	5,807.39	580.74	5,463.20	546.32	5,006.81	500.68	4,612.53	461.25
3	**Unsecured wholesale funding, of which:**	**2,062.92**	**1,500.40**	**1,924.55**	**1,457.25**	**1,564.72**	**1,162.77**	**1,470.36**	**1,080.83**
	(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	(ii) Non-operational deposits (all counterparties)	701.02	138.50	572.78	105.48	478.07	76.12	469.58	80.05
	(iii) Unsecured debt	1,361.90	1,361.90	1,351.77	1,351.77	1,086.65	1,086.65	1,000.78	1,000.78
4	**Secured wholesale funding**		**61.04**		**169.08**		**61.93**		**48.12**
5	**Additional requirements, of which**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(i) Outflows related to derivative exposures and other collateral requirement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding obligation	364.15	364.15	308.28	308.28	277.70	277.70	312.54	312.54
7	Other contingent funding obligations	328.37	16.42	284.00	14.20	183.14	9.16	140.58	7.03
8	**Total cash outflows**		**2,522.75**		**2,495.13**		**2,012.24**		**1,909.77**
	Cash Inflows								
9	Secured lending (e.g. reverse repo)	41.64	0.00	64.51	0.00	67.61	0.00	72.24	0.00
10	Inflows from fully performing exposures	676.72	416.63	652.80	397.38	729.77	495.02	613.77	385.18
11	Other cash inflows	255.52	127.76	243.91	121.96	225.26	112.63	200.53	100.26
12	**Total cash inflows**	**973.88**	**544.39**	**961.23**	**519.33**	**1,022.64**	**607.65**	**886.54**	**485.44**
13	**Total HQLA**		**2,793.35**		**2,614.19**		**2,303.44**		**2,207.43**
14	**Total Net Cash Outflows**		**1,978.36**		**1,975.79**		**1,404.59**		**1,424.33**
15	**Liquidity Coverage Ratio (%)**		**141.20%**		**132.31%**		**163.99%**		**154.98%**

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

ii) Qualitative information on Liquidity Coverage Ratio (LCR) is given below:

The objective of LCR is to ensure that the Bank maintains an adequate stock of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30-day period under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The LCR is calculated by dividing the amount of High Quality Liquid unencumbered Assets (HQLA) by the expected net cash outflows over a stressed 30 day period as per the RBI Guidelines. Minimum LCR requirement for small finance banks is 100%.

HQLA comprises of cash in hand, excess CRR, excess SLR/Non SLR securities, maximum liquidity facility allowed by RBI under marginal standing facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

The Asset Liability Committee (ALCO) governs the Liquidity Risk management of the Bank. The liquidity profile of the Bank is monitored and measured by the Risk Management Department, which reviews liquidity under different business conditions and places the same before the ALCO.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, borrowings), as well as to undrawn commitments and other miscellaneous liabilities, partially offset by expected inflows from assets maturing within 30 days.

The average LCR for the quarter ended March 31, 2026 was at 129.78% as against 141.20% for the quarter ended March 31, 2025, and well above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2026 was ₹ 3,449.72 crores, as against was ₹ 2,793.35 crores for the quarter ended March 31, 2025.

C) Net stable funding Ratio (NSFR)

As per the RBI guideline vide circular RBI circular RBI/DOR/2025-26/194 DOR.LRG.No.113/13-10-002/2025-26 dated November 28, 2025 is required to maintain the NSFR on an ongoing basis.The objective of NSFR is to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of a bank's liquidity position due to disruptions in a bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required (""Required stable funding"") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. The above ratio should be equal to at least 100% on an ongoing basis.. The NSFR as on March 31, 2026 was at 155.74 % (March 31, 2025:159.15%).

i) Quantitative disclosure on Net stable funding ratio (NSFR)for year ended March 31, 2026:

	(₹ in Crore)	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital (2+3)**	**2,142.62**	**0.00**	**0.00**	**80.00**	**2,222.62**
2	Regulatory capital	2,142.62	0.00	0.00	80.00	2,222.62
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**2,059.75**	**1,570.09**	**1,133.32**	**4,938.29**	**9,233.47**

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
5	Stable deposits	166.74	0.00	0.00	0.00	158.41
6	Less stable deposits	1,893.01	1,570.09	1,133.32	4,938.29	9,075.07
7	**Wholesale funding: (8+9)**	1,101.65	2,403.46	1,350.98	2,458.86	4,401.82
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	1,101.65	2,403.46	1,350.98	2,458.86	4,401.82
10	**Other liabilities: (11+12)**	644.93	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	644.93	0.00	0.00	0.00	0.00
13	**Total ASF (1+4+7+10)**					**15,857.91**
RSF Item						
14	**Total NSFR high-quality liquid assets (HQLA)**					**140.86**
15	**Deposits held at other financial institutions for operational purposes**	**16.13**	**0.00**	**0.00**	**0.00**	**8.06**
16	**Performing loans and securities: (17+18+19+21+23)**	**0.00**	**5,964.90**		**6,741.19**	**8,497.52**
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	862.32	425.44	506.82	848.88
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	2,388.73	2,265.95	5,283.75	6,820.82
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
21	Performing residential mortgages, of which:	0.00	22.46	20.96	929.37	665.44
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	19.93	18.59	731.20	494.54
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	726.23	67.26	21.25	162.38
24	**Other assets: (sum of rows 25 to 29)**	**335.04**	**699.72**	**0.00**	**807.49**	**1,483.65**
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	58.28	49.54
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	335.04	699.72	0.00	749.21	1,434.11
30	Off-balance sheet items			1,047.04		52.35
31	**Total RSF (14+15+16+24+30)**					**10,182.45**
32	Net Stable Funding Ratio (%)					155.74%

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

i) Quantitative disclosure on Net stable funding ratio (NSFR) for year ended March 31, 2025:

	(₹ in Crore)	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital (2+3)**	**2,004.99**	**0.00**	**0.00**	**60.00**	**2,064.99**
2	Regulatory capital	2,004.99	0.00	0.00	60.00	2,064.99
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**1,308.98**	**924.29**	**1,078.90**	**3,372.91**	**6,353.86**
5	Stable deposits	0.00	0.00	0.00	0.00	0.00
6	Less stable deposits	1,308.98	924.29	1,078.90	3,372.91	6,353.86
7	**Wholesale funding: (8+9)**	907.80	2,007.57	1,393.24	2,196.21	3,941.78
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	907.80	2,007.57	1,393.24	2,196.21	3,941.78
10	**Other liabilities: (11+12)**	359.50	0.00	0.00	0.00	0.00
11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	359.50	0.00	0.00	0.00	0.00
13	**Total ASF (1+4+7+10)**					**12,360.62**
RSF Item						
14	**Total NSFR high-quality liquid assets (HQLA)**					**138.87**
15	**Deposits held at other financial institutions for operational purposes**	**31.81**	**0.00**	**0.00**	**0.00**	**15.90**
16	**Performing loans and securities: (17+18+19+21+23)**	**0.00**	**4,812.38**		**4,899.08**	**6,306.10**
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	598.19	290.77	458.71	693.83
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	2,149.00	1,758.40	3,598.95	5,018.40
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.65	0.35	0.46	0.79
21	Performing residential mortgages, of which:	0.00	16.01	17.30	841.42	593.88
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	14.56	15.75	689.97	463.64
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	0.00	0.00
24	**Other assets: (sum of rows 25 to 29)**	**311.44**	**662.95**	**0.82**	**646.17**	**1,283.66**

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	38.96	33.12
27	NSFR derivative assets		0.00	0.00	0.00	0.00
28	NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	311.44	662.95	0.82	607.21	1,250.54
30	Off-balance sheet items			443.60		22.18
31	**Total RSF (14+15+16+24+30)**					**7,766.71**
32	Net Stable Funding Ratio (%)					159.15%

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

3. Investments

a) Composition of Investment Portfolio

For the year ended March 31, 2026

(₹ in Crores)

Particulars	HTM		AFS	FVTPL		Associates & JV's	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India							
(i) Government securities	2,416.68	2,369.97	416.63	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-
(iii) Shares	-	-	-	2.79	-	-	-
(iv) Debentures and Bonds	157.50	157.24	-	21.25	-	-	-
(v) Associates & Joint Ventures					-	-	-
(vi) Others	-	-	643.51	34.21	-	-	-
Total	**2,574.17**	**2,527.21**	**1,060.14**	**58.25**	**-**	**-**	**-**
Less: Provisions for impairment/NPI	-	-	-	-	-		
Net	**2,574.17**	**2,527.21**	**1,060.14**	**58.25**	**-**	**-**	**-**
II. Investments outside India	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-	-	-
(ii) Associates & Joint Ventures	-	-	-	-	-	-	-
(ii) Other investments	-			-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Provisions for impairment/NPI	-			-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**2,574.17**	**2,527.21**	**1,060.14**	**58.25**	**-**	**-**	**-**

For the year ended March 31, 2025

(₹ in Crores)

Particulars	HTM		AFS	FVTPL		Associates & JV's	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India							
(i) Government securities	1,949	1,994.08	852.74	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-	-
(iii) Shares	-	-	-	2.07	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	-	-
(v) Associates & Joint Ventures					-	-	-
(vi) Others	-	-	314.31	19.24	-	-	-
Total	**1,949.13**	**1,994.08**	**1,167.05**	**21.31**	**-**	**-**	**-**
Less: Provisions for impairment/NPI	-	-	-	-	-		
Net	**1,949.13**	**1,994.08**	**1,167.05**	**21.31**	**-**	**-**	**-**
II. Investments outside India	-	-	-	-	-	-	-
(i) Government securities (including local authorities)	-	-	-	-	-	-	-
(ii) Associates & Joint Ventures	-	-	-	-	-	-	-
(ii) Other investments	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less: Provisions for impairment/NPI	-	-	-	-	-	-	-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**1,949.13**	**1,994.08**	**1,167.05**	**21.31**	**-**	**-**	**-**

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Fair value hierarchy of investment portfolio measured at fair value on balancesheet

For the year ended March 31, 2026

Particulars	AFS			FVTPL		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
I. Investments in India*						
(i) Government securities	420.04	-	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	1.61
(iv) Debentures and Bonds	-	-	-	5.24	14.95	-
(v) Associates & Joint Ventures						
(vi) Others	-	643.51	-	16.01	-	32.39
Total	**420.04**	**643.51**	**-**	**21.25**	**14.95**	**34.00**
II. Investments outside India						
(i) Government securities (including local authorities)	-	-	-	-	-	-
(ii) Associates & Joint Ventures						
(iii) Other investments	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**420.04**	**643.51**	**-**	**21.25**	**14.95**	**34.00**

For the year ended March 31, 2025

Particulars	AFS			FVTPL		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
I. Investments in India*						
(i) Government securities	852.74	-	-	-	-	-
(ii) Other approved securities	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	1.61
(iv) Debentures and Bonds	-	-	-	-	-	-
(v) Associates & Joint Ventures						
(vi) Others	-	314.31	-	-	-	39.93
Total	**852.74**	**314.31**	**-**	**-**	**-**	**41.55**
II. Investments outside India						
(i) Government securities (including local authorities)	-	-	-	-	-	-
(ii) Associates & Joint Ventures						
(iii) Other investments	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total investments (I+II)	**852.74**	**314.31**	**-**	**-**	**-**	**41.55**

c) Net gains/(losses) on Level 3 financial instruments recognised in AFS-Reserve and Profit and Loss Account

Particulars	For the year March 31, 2026	For the year March 31, 2025
Recognised in AFS-Reserve	-	-
Recognised in Profit and Loss Account	8.88	5.96

Note: *Investment are shown at Book Value.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Note: This disclosure shall exclude Level 3 assets where the valuation of the asset is the price declared by FBIL/ FIMMDA for that asset.

d) Details of sales made out of HTM

Particulars	March 31, 2026	March 31, 2025
a) Opening carrying value of securities in HTM	1,949.13	1,055.66
b) Carrying value of all HTM securities sold during the year	427.11	519.50
c) Less: Carrying values of securities sold under situations exempted from regulatory limit*	427.11	479.33
d) Carrying value of securities sold (d=b-c)	-	40.17
e) Securities sold as a percentage of opening carrying value of securities in HTM (e=d÷a)	-	3.81%
f) Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	13.01	4.24

The Bank has not sold or transferred securities to or from HTM category exceeding 5% of the book value of investments held in HTM category at the beginning of year ended March 31, 2026 and March 31, 2025 respectively. The 5% threshold referred to above does not include:

i) The one-time transfer of securities to/from HTM category with the approval of Board of Directors undertaken by banks at the beginning of the accounting year.

ii) Direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirements by RBI.

iii) Sales to the Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government Securities Acquisition Programme (GSAP).

iv) Repurchase of Government Securities by Government of India from banks under buyback/switch operations.

v) Repurchase of State Development Loans by respective state governments under buyback/switch operations.

vi) Additional shifting of securities explicitly permitted by the Reserve Bank of India.

e) Reclassification between categories of investments: There has been no reclassification between categories of investments in financial year 2025-26. (FY 2024-25: Nil)

f) Movement of provisions for non-performing investments (NPIs) and investment fluctuation reserve

Particulars	March 31, 2026	March 31, 2025
i) Movement of provisions held towards NPIs:		
a) Opening balance	-	-
b) Add: Provision made during the year	-	-
c) Less: Write off/Write back of excess provisions during the year	-	-
d) Closing balance	-	-
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	24.14	31.19
b) Add: Amount transferred during the year	-	-
c) Less: Drawdown	1.48	7.05
d) Closing balance	22.66	24.14
(iii) Closing balance in IFR as a percentage of closing balance of investments# in AFS and FVTPL (Including HFT) category	**2.0%**	**2.0%**

Schedules to the Financial Statements

for the year ended March 31, 2026
(All amounts are in Indian Rupees in crore unless otherwise stated)

g) Non-SLR investment portfolio

i) Non-performing non-SLR investments

Particulars	March 31, 2026	March 31, 2025
a) Opening balance	-	-
b) Additions during the year since 1st April	-	-
c) Reductions during the above period	-	-
d) Closing balance	-	-
e) Total provisions held	-	-

ii) Issuer-wise composition of non-SLR investments

Issuer-wise composition of non-SLR investments as at March 31, 2026

Issuer	Amount	Extent of private placement#	Extent of 'Below investment grade' securities#	Extent of 'Unrated' securities#	Extent of 'Unlisted' securities#*
a) Public sector undertakings	19.17	12.51	-	5.04	1.61
b) Financial institutions	174.43	174.43	-	-	-
c) Banks	614.26	614.26	-	-	-
d) Private corporate	46.94	-	-	-	30.93
e) Subsidiaries/Joint ventures	-	-	-	-	-
f) Others$	21.46	-	-	-	-
g) Less: Provisions for NPI	-	-	-	-	-
Total	**876.25**	**801.19**	**-**	**5.04**	**32.54**

Issuer-wise composition of non-SLR investments as at March 31, 2025

Issuer	Amount	Extent of private placement#	Extent of 'Below investment grade' securities#	Extent of 'Unrated' securities#	Extent of 'Unlisted' securities#*
a) Public sector undertakings					
b) Financial institutions	314.31				
c) Banks					
d) Private corporate					
e) Subsidiaries/Joint ventures					
f) Others	47.14	2.07	-	2.07	2.07
g) Less: Provisions for NPI	-	-	-	-	-
Total	**361.45**	**2.07**	**-**	**2.07**	**2.07**

Amounts reported under these columns above are not mutually exclusive

* Excludes investments in commercial paper and certificate of deposits

$ Includes Security Receipts [Refer Note - 3(f)]

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

h) Repo transactions (in face value and market value terms)

The Details relating to repo/reverse repo transactions (in face value and market value terms) during the year ended March 31, 2026 are as follows:

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on 31 March 2026	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	1.00	1.03	600.00	600.45	152.95	153.56	380.00	376.26
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	20.00	21.36	595.00	595.26	95.43	96.06		
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-

The Details relating to repo/reverse repo transactions (in face value and market value terms) during the year ended March 31, 2025 are as follows:

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on 31 March 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	20.59	20.59	853.62	853.64	549.99	550.07	281.36	281.89
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	25.00	25.00	325.00	325.04	25.46	25.47	-	-
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-

i) Government Security Lending (GSL) transactions (in market value terms)

The Details relating to GSL transactions (in market value terms) during the year ended March 31, 2026 are as follows

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on 31 March 2026
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

The Details relating to GSL transactions (in market value terms) during the year ended March 31, 2025 are as follows

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on 31 March 2025
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

j) Details of investment in Security Receipts (SRs)

In accordance with RBI guidelines governing the transfer of stressed loans - Reserve Bank of India (Sale of Loan Exposures) Direction, 2021 (RBI Master Directions) dated September 24, 2021 (as updated from time to time), the outstanding amount of SRs (net of provision) is ₹ 10.50 crores as on March 31, 2026 (March 31, 2025: ₹ 19.24 crores).

(i) Details of the recovery ratings assigned to Security Receipts outstanding as at March 31, 2026:

Rating Agency	Recovery Rating	Trust	Gross value of Outstanding SRs	Amount (net of provisions)
India Ratings & Research	RR2-(75% - 100%)	EARC TRUST SC - 478	2.31	-
Crisil	RR1-(100% - 150%)	EARC TRUST SC - 496	24.37	10.50

(ii) Details of the recovery ratings assigned to Security Receipts outstanding as at March 31, 2025:

Rating Agency	Recovery Rating	Trust	Gross value of Outstanding SRs	Amount (net of provisions)
India Ratings & Research	RR2-(75% - 100%)	EARC TRUST SC - 478	17.66	-
Crisil	Unrated	EARC TRUST SC - 496	31.15	19.24

4. Asset quality

a) Classification of advances and provisions held for the year ended March 31, 2026:

Particulars	Standard Advances	Non- Performing Advances				Total
		Sub - standard	Doubtful	Loss	Total Non - Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	9,517.33	677.49	55.86	0.49	733.84	10,251.17
Add: Additions during the year					690.86	
Less: Reductions during the year#					560.52	
Closing balance	**12,336.88**	**661.69**	**201.54**	**0.95**	**864.18**	**13,201.06**
#Reductions in Gross NPAs due to:						
i) Upgradation					19.12	
ii) Recoveries (excluding recoveries from upgraded accounts)					13.89	
iii) Technical/Prudential Write-offs					512.88	
iv) Transfer of stressed loans					11.66	
v) One Time Settlement					2.98	

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Standard Advances	Non- Performing Advances				Total
		Sub - standard	Doubtful	Loss	Total Non - Performing Advances	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	37.89	202.84	36.47	0.45	239.76	277.65
Add: Fresh provisions made during the year					559.16	
Less: Excess provision reversed					535.79	
Closing balance of provisions held	**44.85**	**179.09**	**83.42**	**0.61**	**263.13**	**307.98**
Net NPAs*						
Opening Balance		474.64	19.39	0.05	457.02	
Add: Fresh additions during the year					109.60	
Less: Reductions during the year					24.73	
Closing Balance		**482.60**	**118.12**	**0.34**	**541.88**	
Floating Provisions						
Opening Balance						37.07
Add: Additional provisions made during the year						22.10
Less: Amount drawn down during the year						-
Closing balance of floating provisions						**59.17**
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						714.74
Add: Technical/Prudential write-offs during the year						512.88
Less: Recoveries made from previously technical/prudential written-off accounts during the year						18.55
Less: One Time Settlement						3.36
Closing balance						**1,205.71**

* For calculating Net NPA for total non performing assets column Floating provision is reduced.

a) **Classification of advances and provisions held for the year ended March 31, 2025:**

Particulars	Standard Advances	Non- Performing Advances				Total
		Sub - standard	Doubtful	Loss	Total Non - Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	8,008.10	173.12	67.06	2.19	242.37	8,250.47
Add: Additions during the year					743.74	
Less: Reductions during the year#					252.27	
Closing balance	**9,517.33**	**677.49**	**55.86**	**0.49**	**733.84**	**10,251.17**
#Reductions in Gross NPAs due to:						
i) Upgradation					13.14	
ii) Recoveries (excluding recoveries from upgraded accounts)					9.32	
iii) Technical/Prudential Write-offs					148.09	
iv) Transfer of stressed loans					79.88	
v) One Time Settlement					1.83	

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Standard Advances	Non- Performing Advances				Total
		Sub - standard	Doubtful	Loss	Total Non - Performing Advances	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	28.76	94.09	42.93	1.79	138.80	167.57
Add: Fresh provisions made during the year					287.94	
Less: Excess provision reversed					186.99	
Closing balance of provisions held	**37.89**	**202.84**	**36.47**	**0.45**	**239.75**	**277.65**
Net NPAs*						
Opening Balance		79.03	24.13	0.40	69.87	
Add: Fresh additions during the year					431.15	
Less: Reductions during the year					44.00	
Closing Balance		**474.64**	**19.39**	**0.05**	**457.02**	**457.02**
Floating Provisions						
Opening Balance						33.70
Add: Additional provisions made during the year						24.64
Less: Amount drawn down during the year@						21.27
Closing balance of floating provisions						**37.07**
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						595.31
Add: Technical/Prudential write-offs during the year						148.09
Less: Recoveries made from previously technical/prudential written-off accounts during the year						21.28
Less: One Time Settlement						7.39
Closing balance						**714.74**

* For calculating Net NPA for total non performing assets column Floating provision is reduced.

@The Bank has utilised floating provision of ₹ 21.27 crores against the sale of stressed loans to Edelweiss Asset Reconstruction Company (EARC) in accordance with RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021.

Ratios

Ratios (in %)	As at March 31, 2026	As at March 31, 2025
Gross NPA to Gross Advances	6.55%	7.16%
Net NPA to Net Advances	4.21%	4.58%
Provision coverage ratio	37.30%	37.72%
Provision coverage ratio*	73.82%	68.45%

*includes write offs.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Sector-wise Gross Advances and Gross NPAs

Particulars	March 31, 2026		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
i) Priority Sector *			
a) Agriculture and allied activities	3,512.02	453.54	12.9%
-Agri - Farm Credit - Allied Activities - Dairying	457.19	70.41	15.4%
-Agri - Farm Credit - Allied Activities - Poultry	2,230.08	252.60	11.3%
-Agri - Farm Credit - Allied Activities - Other	498.25	90.06	18.1%
b) Advances to industries sector eligible as priority sector lending	458.83	5.90	1.3%
-Manufacturing and processing	458.83	5.90	1.3%
c) Services	3,139.25	210.89	6.7%
-Transport operators	1,257.58	8.91	0.7%
-Professional and other services	1,627.56	197.13	12.1%
d) Personal loans	649.45	102.64	15.8%
-Other Priority Sector Loans	474.01	99.09	20.9%
-Housing Loans	175.15	3.55	2.0%
Sub total (i)	**7,759.55**	**772.97**	**10.0%**
ii) Non Priority Sector*			
a) Agriculture and allied activities	-	-	0.0%
b) Industry	-	-	0.0%
c) Services	-	-	0.0%
d) Personal Loans	5,441.52	91.22	1.7%
- Other Non Priority Sector Loans	4,027.46	54.12	1.3%
- Housing Loans (NPSL)	917.75	25.11	2.7%
Sub total (ii)	**5,441.52**	**91.22**	**1.7%**
Total (i+ii)	**13,201.08**	**864.19**	**6.5%**

*No adjustment made to gross advances on account of PSLCs bought/sold. For PSLCs bought/sold refer note 14(d).

Particulars	March 31, 2025		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
i) Priority Sector *			
a) Agriculture and allied activities	2,749.89	408.49	14.85%
-Agri - Farm Credit - Allied Activities - Dairying	382.85	56.52	14.76%
-Agri - Farm Credit - Allied Activities - Poultry	1,797.47	232.21	12.92%
-Agri - Farm Credit - Allied Activities - Other	260.35	76.12	29.24%
b) Advances to industries sector eligible as priority sector lending	401.20	2.42	0.60%
-Manufacturing and processing	401.20	2.42	0.60%
c) Services	2,364.47	141.67	5.99%
-Transport operators	809.64	1.73	0.21%
-Professional and other services	758.48	77.20	10.18%
-Others	796.36	62.74	7.88%
d) Personal loans	1,515.75	149.96	9.89%
-Other Priority Sector Loans	1,131.08	148.57	13.13%
-Housing Loans	384.66	1.40	0.36%
Sub total (i)	**7,031.32**	**702.55**	**9.99%**

Schedules to the Financial Statements

for the year ended March 31, 2026
(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	March 31, 2025		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
ii) Non Priority Sector*			
a) Agriculture and allied activities	4.03	0.18	4.52%
b) Industry	-	-	0.00%
c) Services	-	-	0.00%
d) Personal Loans	3,215.83	31.11	0.97%
- Other Non Priority Sector Loans	3,215.65	31.11	0.97%
Sub total (ii)	**3,219.86**	**31.29**	**0.97%**
Total (i+ii)	**10,251.17**	**733.84**	**7.16%**

*No adjustment made to gross advances on account of PSLCs bought/sold. For PSLCs bought/sold refer note 14(d).

c) Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets/NPA as at March 31, 2026 and no overseas operations were undertaken for the year ended March 31, 2026. Hence revenue from overseas operation is ₹ Nil (March 31, 2025: ₹ Nil).

d) Particulars of resolution plan and restructuring

The Bank does not have any account for resolution of stressed Assets loans (Revised framework) as per the RBI Circular RBI/DOR/2025-26/196 DOR.STR.REC.115/21.04.048/2025-26 dated 28th Novmber 2025 as on March 31, 2026 (March 31, 2025: ₹ Nil)

e) Divergence in asset classification and provisioning

RBI vide its circular RBI/DOR/2025-26/198 DOR.ACC.REC.No.117/21.04.018/2025-26 dated November 28, 2025, has directed banks shall make suitable disclosures, if either or both of the following conditions are satisfied:

(a) the additional provisioning for non-performing assets (NPAs) assessed by the RBI as a part of its supervisory process exceeds 5 per cent of the reported profit before provisions and contingencies for the reference period, and/or

(b) the additional Gross NPAs identified by the RBI as a part of its supervisory process exceed 5% of the reported incremental Gross NPAs for the reference period.

There has been no divergence observed by the RBI for the Financial year 2025-26 in respect of the Bank's asset classification and provisioning as per the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

f) Disclosure of transfer of loan exposures

Details of loans transferred/acquired during the year ended March 31, 2026 under the Reserve Bank of India (Small Finance Banks – Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025 are given below:

i) Loans not in default:

a) During the year ended March 31, 2026, the Bank has not acquired any loans not in default through assignment of loans

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) During the year ended March 31, 2026, the bank has transferred "loans not in default" through assignment as given below

Particulars	March 31, 2026	March 31, 2025
Total amount of loans transferred	136.62	77.26
Aggregate consideration received	129.79	69.38
Weighted average residual maturity (in years)	2.34	1.43
Weighted average holding period (in years)	1.72	0.84
Retention of beneficial economic interest	13%	10%
Tangible security coverage	More than 100%	Not applicable
Rating-wise distribution of rated loans	Unrated	Retail Loans-NA

ii) During the year ended March 31, 2026, the Bank has not acquired any stressed loans (Non-performing asset and Special Mention Account)

iii) Details of stressed loans transferred during the year ended March 31, 2026 are given below:

₹ In crores except no. of accounts

Particulars	March 31, 2026		March 31, 2025	
	To ARCs	To permitted transferees	To ARCs	To permitted transferees
No. of accounts	1	Nil	3,003	Nil
Aggregate principal outstanding of loans transferred	11.66	Nil	79.88	Nil
Weighted average residual tenor of the loans transferred[1] (Months)	24	Nil	103	Nil
Net book value of loans transferred (at the time of transfer)	-	Nil	31.15	Nil
Aggregate consideration	5.66	Nil	31.15	Nil
Additional consideration realized in respect of accounts transferred in earlier years	-	Nil	Nil	Nil

1. Excludes loans which are already matured.

g) Non-Fund (NFB) Credit Facilities:

₹ In crores except no. of accounts

Particulars	As at 31 March 2026		As at March 31, 2025	
	Secured Portion*	Unsecured Portion	Secured Portion	Unsecured Portion
1) Outstanding Guarantees (₹ crore)	-	-	-	-
i) In India	-	-	-	-
ii) Outside India	-	-	-	-
2) Acceptances, Endorsements and other Obligations (₹ crore)	-	-	-	-
3) Other NFB Credit facilities (₹ crore)	-	-	-	-

* Secured portion is as defined under the Reserve Bank of India (Small Finance Banks – Credit Facilities) Directions, 2025.

h) Fraud accounts

Particulars	March 31, 2026	March 31, 2025
Number of frauds reported	96	326
Amount involved in fraud (₹ Crore)	0.59*	5.16*
Amount of provision made for such frauds (₹ Crore)	0.41	1.05
Amount of unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)	-	-

*The amount involved in fraud includes both internal and external frauds; however, provisions have been made only for the portion for which the bank is liable.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

i) Disclosure related to project finance

The Bank does not have any exposure to Project Finance, hence the disclosure as per 'Reserve Bank of India (Small Finance Banks Financial Statements: Presentation and Disclosures) Directions, 2025' dated November 28,2025 and as amended thereafter, on Project Finance is not applicable for the quarter ended March 31,2026

j) Disclosure under resolution framework for COVID-19-related Stress

Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at March 31, 2026 are given below:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. September 30, 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2026	Of (A) amount written off during the half-year ended March 31, 2026	Of (A) amount paid by the borrowers during the half-year ended March 31, 2026	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half year i.e. March 31, 2026
Personal Loans	4.56	-	-	0.25	4.32
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	1.45	0.09	-	0.27	1.08
Total	**6.01**	**0.09**	**-**	**0.52**	**5.40**

Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at September 30, 2025 are given below:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. March 31, 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2026	Of (A) amount written off during the half-year ended September 30, 2025	Of (A) amount paid by the borrowers during the half-year ended September 30, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half year i.e. September 30, 2025
Personal Loans	4.76	0.12	-	0.08	4.56
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	1.52	0.02	-	0.05	1.45
Total	**6.28**	**0.14**	**-**	**0.13**	**6.01**

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at March 31, 2025 are given below:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025	Of (A) amount written off during the half-year ended March 31, 2025	Of (A) amount paid by the borrowers during the half-year ended March 31, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half year i.e. March 31, 2025
Personal Loans	5.08	-	0.10	0.22	4.76
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	4.67	0.05	2.99	0.11	1.52
Total	**9.75**	**0.05**	**3.08**	**0.32**	**6.28**

5. Exposure

a) Exposure to real estate sector

Particulars	March 31, 2026	March 31, 2025
i) Direct exposure		
a) Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	1,201.71	984.37
-of which housing loans eligible for inclusion in priority sector advances	184.83	400.9
b) Commercial real estate -		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	233.21	120.23
c) Investments in mortgage backed securities (MBS) and other securitised	-	-
i) Residential	-	-
ii) Commercial Real Estate	-	-
Total (i)	**1,434.92**	**1104.6**
ii) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies (HFCs).	91.81	95.79
Total (ii)	**91.81**	**95.79**
Total Exposure to Real Estate Sector (i+ii)	**1,526.73**	**1200.39**

Schedules to the Financial Statements

for the year ended March 31, 2026
(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Exposure to capital market

Particulars	March 31, 2026	March 31, 2025
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt*;	16.01	-
Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.94	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
Bridge loans to companies against expected equity flows/issues;	-	-
Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
Financing to stockbrokers for margin trading;	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to capital Market*	**16.95**	**-**

*The Bank's exposure of Rs 1.6 crore to equity of NPCI is exempt from inclusion in capital market exposure for Limit utilisation.

c) Risk category- wise country exposure

The Bank's exposures are concentrated in India, hence no provision is maintained with regard to country risk exposure as at March 31, 2026 (March 31, 2025: ₹ Nil)

d) Unsecured Advances

Advances for which intangible collaterals such as rights, licenses, authority etc. are charged in favour of the Bank in respect of projects financed by the Bank, are reckoned as unsecured advances under Schedule 9 of the Balance Sheet in line with extant RBI guidelines. There are no such advances given during the year and outstanding as at March 31, 2026. (March 31, 2025: ₹ Nil)

Particulars	March 31, 2026	March 31, 2025
Total unsecured advances of the bank	5,067.67	4,088.33
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) Factoring exposures

The factoring exposure of the Bank as at March 31, 2026 is ₹ 276.21 Crores (March 31, 2025: ₹ 259.37 Crores)

f) Intra Group Exposure

The Bank does not have any intra group exposure as at March 31, 2026 (March 31, 2025: ₹ Nil).

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

g) Unhedged Foreign Currency Exposure

In accordance with the RBI guidelines on Banks' exposures to entities with Unhedged Foreign Currency Exposure ('UFCE'), the Bank has put in place a mechanism to seek information from its borrowers and to evaluate the currency induced credit risk. In the case of listed entities, the Bank obtains information relating to unhedged positions based on the latest available audited/reviewed financial statements; whilst in the case of unlisted/private companies, the Bank obtains the aforesaid information based on the latest available audited financial statements (not exceeding a financial year) so as to estimate the extent of likely loss and to provide for incremental capital or to recognise incremental provision in accordance with the aforesaid guidelines. Further, as per the above-mentioned guidelines, the Bank obtains audited and certified UFCE information from the statutory auditors of the borrowers, wherever feasible, on an annual basis. In the case of smaller entities i.e. entities with exposure to banking industry up to ₹ 50 crore, the Bank recognises an incremental provision at 10 basis points on all such exposures.

In accordance with RBI guidelines, as at March 31, 2026 the Bank holds UFCE provisions of ₹ 2.94 crores (March 31, 2025: ₹ 4.21 crores) maintains capital of ₹ 39.84 crore (March 31, 2025: ₹ 85.32 crore) in respect of the unhedged foreign currency exposure of its customers.

h) Loans against gold and silver collateral

i) Details of loans extended against eligible gold and silver collateral

Particulars	Loan Outstanding		Average ticket size (₹ crore)	Average LTV ratio	Gross NPA (%)
	Amount (₹ crore)	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	-	-	-	-	-
(a) Consumption loans	-	-	-	-	-
of which bullet repayment loans	-	-	-	-	-
(b) Income generating loans	-	-	-	-	-
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	**1.57**	**0.01%**	**0.01**	**66%**	
(c) Consumption loans	1.57	0.01%	0.01	66%	
of which bullet repayment loans	-	-	-	-	
(d) Income generating loans					
3. Renewals sanctioned and disbursed during the FY	-	-	-	-	
4. Top-up loans sanctioned and disbursed during the FY	-	-	-	-	
5. Loans repaid during the FY [(e)+(f)]	**0.04**	**0.00%**	**0.01**		
(e) Consumption loans	0.04	0.00%	0.01		
of which bullet repayment loans	-	-	-		
(f) Income generating loans	-	-	-		
6. Non-Performing Loans recovered during the FY [(g) + (h)]	**-**	**-**	**-**		
(g) Consumption loans	-	-	-		
of which bullet repayment loans	-	-	-		
(h) Income generating loans	-	-	-		
7. Loans written off during the FY [(i) + (j)]	**-**	**-**	**-**		
(i) Consumption loans	-	-	-		
of which bullet repayment loans	-	-	-		
j) Income generating loans	-	-	-		
8. Closing balance at the end of FY [(k) + (l)]	**1.53**	**0.01%**	**0.01**	**67%**	**-**
(k) Consumption loans	1.53	0.01%	0.01	67%	-
of which bullet repayment loans	-	-	-	-	-
(l) Income generating loans	-	-	-	-	-

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

ii) Details of gold and silver collateral and auctions

Particulars	
a) Unclaimed gold or silver collateral at the end of the financial year (in grams)	-
b) Number of loan accounts in which auctions were conducted	-
c) Total outstanding in loan accounts mentioned in (b)	-
d) Gold or silver collateral acquired during the FY due to default of loans (in grams)	-
e) Gold or silver collateral auctioned during the FY (in grams)	-
f) Recovery made through auctions during the FY (in crore)	-
g) Recovery percentage:	-
h) as % of value of gold or silver collateral	-
i) as % of outstanding loan	-

l) Exposures to Related Parties

Particulars	March 31, 2026	March 31, 2025
A. Loans to Related Parties		
1. Aggregate value of loans sanctioned to related parties during the year	-	-
2. Aggregate value of outstanding loans to related parties as on 31st March.	-	-
3. Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March (in %)	-	-
4. Aggregate value of outstanding loans to related parties which are categorized as:	-	-
i) Special Mention Accounts as on 31st March	-	-
ii) Non-Performing Assets as on 31st March	-	-
5. Amount of provisions held in respect of loans to related parties as on 31st March	-	-
B. Contracts and Arrangements involving Related Parties		
6. Aggregate value of contracts and arrangements awarded to related parties during the year	-	-
7. Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March	-	-

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits

Particulars	March 31, 2026	March 31, 2025
Total deposits of twenty largest depositors	2,130.07	2,104.76
Percentage of deposits of twenty largest depositors to total deposits of the bank	15.22%	19.89%

b) Concentration of Advances

Particulars	March 31, 2026	March 31, 2025
Total advances to twenty largest borrowers	923.50	775.21
Percentage of advances of twenty largest borrowers to total advances of the bank	7.00%	7.56%

c) Concentration of Exposures

Particulars	March 31, 2026	March 31, 2025
Total exposure to twenty largest borrowers/customers*	1,312.70	935.72
Percentage of exposure of twenty largest borrowers/customers to total exposure of the bank on borrowers/customers	8.72%	8.43%

* Exposures computed as per applicable RBI regulation.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

d) Concentration of NPAs

Particulars	March 31, 2026	March 31, 2025
Total Exposure to the top twenty NPA accounts	21.76	24.27
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	2.52%	3.31%

7. Derivatives

During the year ended March 31, 2026 the Bank has not undertaken any derivative transaction and there is no outstanding position as at the year end March 31, 2026 (March 31, 2025: ₹ Nil). Hence, disclosure related to Forward Rate Agreement/Interest Rate Swap/Credit default Swap and Exchange Traded Interest Rate Derivatives has not been provided.

8. Disclosure relating to securitisation

Particulars	March 31, 2026	March 31, 2025
1. No of SPEs holding assets for securitisation transactions originated by the originator	1.00	1.00
Total amount of securitised assets as per books of the SPEs	101.82	31.52
Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	6.83	5.99
Others	-	-
Amount of exposures to securitisation transactions other than MRR	-	-
a) Off-balance sheet exposures	-	-
(i) Exposure to own securitisation	-	-
First loss	-	-
Others	-	-
(ii) Exposure to third party securitisations	-	-
First loss	-	-
Others	-	-
b) On-balance sheet exposures	-	-
(i) Exposure to own securitisation	-	-
First loss	-	-
Others	10.93	7.88
(ii) Exposure to third party securitisations	-	-
First loss	-	-
Others	-	-
Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	136.62	69.38
Form and quantum (outstanding value) of services provided by way of	-	-
(i) Post Securitisation Asset Servicing	-	60.64
Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc.	-	-
(a) Amount paid	42.59	5.99
(b) Repayment received	42.59	60.64
(c) Outstanding amount	-	-
Average default rate of portfolios observed in the past - unsecured loan receivables	-	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
Investor complaints (a) Directly/Indirectly received (b) Complaints outstanding	Nil	Nil

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

9. Off balance sheet SPVs sponsored

There are no off balance sheet SPVs sponsored by the Bank, which are required to be consolidated as per accounting norms.

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

The Depositor Education and Awareness Fund Scheme, 2014 applies when amount to the credit of any account in India with any bank has not been operated upon for a period of ten years or any deposit or any amount is remaining unclaimed for more than ten years to be credited to the DEA Fund. However, ten years have not been elapsed since the commencement of operations of the Bank, the Bank is not required to transfer any sum to DEA Fund as on 31 March 2026 (March 31, 2025: ₹ Nil).

11. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman.

Particulars	March 31, 2026	March 31, 2025
Complaints received by the bank from its customers		
1. Number of complaints pending at beginning of the year	302	218
2. Number of complaints received during the year*	16,494	11,774
3. Number of complaints disposed during the year*	16,449	11,690
3.1 Of which, number of complaints rejected by the Bank	553	186
4. Number of complaints pending at the end of the year	347	302
Maintainable complaints received by the bank from Office of Ombudsman		
5. Number of maintainable complaints received by the bank from Office of Ombudsman	339	99
5.1 Of 5, number of complaints resolved in favour of the Bank by Office of Ombudsman	172	72
5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	166	27
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	1	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)		-

b) Top five grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			March 31, 2026		
ATM/Debit Cards	10	1,388	7%	22	-
Loans and advances	16	1,128	39%	78	-
Net Banking/Mobile Banking/Point of Sales	67	4,933	37%	121	-
Account opening/Difficulty in operation of accounts	192	7,209	26%	69	1
Staff related	8	115	14%	3	-
Credit Card related1	-	1,589	-	49	6
Others	9	132	136%	5	-
Total	**302**	**16,494**	**40%**	**347**	**7**

*Out of 16,494 complaints received during the year, 1911 complaints were redressed within the next working day."

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
			March 31, 2025		
ATM/Debit Cards	33	1,492	-57%	10	-
Loans and advances	21	809	21%	16	-
Net Banking/Mobile Banking/Point of Sales	74	3,600	-23%	67	-
Account opening/Difficulty in operation of accounts	79	5,716	31%	192	1
Staff related	10	101	-48%	8	-
Others	1	56	-88%	9	-
Total	**218**	**11,774**	**15%**	**302**	**1**

Note 1: Bank has started Credit Card oepration during th FY 2025-26

12. Disclosure of penalties imposed by the Reserve Bank of India

During the year ended March 31, 2026, Penalty of ₹ 0.02 Crores was imposed by RBI on July 23, 2025 for ‘SGL bouncing’ by the Reserve Bank of India. (March 31, 2025: ₹ Nil).

13. Disclosures on remuneration

A) Qualitative Disclosures

(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Board (“NRC”) is the main body overseeing remuneration of the Directors, Key Managerial Personnel (“KMPs”), and Senior Management Personnel (“SMPs”) of the Bank. As on March 31, 2026, the NRC had four (4) members of which three (3) are Independent Directors. The functions of the Committee include formulating criteria to determine independence of Directors, identifying persons for appointment as Directors on the Board of the Bank, devising a Policy on Board Diversity, formulating criteria for evaluation of the performance of the Board, its Committees and individual Directors, recommending remuneration of KMPs and SMPs, administering, monitoring and formulating detailed terms and conditions of the Employees’ Stock Option Scheme of the Bank, recommending to the Board Policy on Succession Planning for the Board and senior management and overseeing and reviewing the succession plans from time to time.

The Composition of NRC committee as on March 31, 2026 is as follows:

1. Mrs. Swati Datye, Independent Director, Chairperson
2. Mr. Arun Diaz, Independent Director
3. Mr. K P Nair, Independent Director
4. Mr. Ranjit Shah, Investor Director

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process

Not Applicable

Scope of the Bank’s remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches

(a) The Policy on appointment and remuneration of Directors, Key Managerial personnel and senior management employees was approved by the Board on January 23, 2017 and reviewed periodically. It was modified in October 2020 to exclude the remuneration aspects in view of new Compensation Policy being formulated and approved by the Board.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

(b) The Bank's new Compensation Policy (formulated in accordance with RBI Guidelines on Compensation of Whole Time Directors, Chief Executive Officers, Material Risk Takers and Risk Control & Compliance Staff), was approved by the Board in October 2020 and is annually reviewed.

(c) The Employee Policies Manual of the Bank was approved by the Board on January 23, 2017 and is reviewed periodically. It covers compensation policy for all other employees of the Bank.

Type of employees covered and number of such employees by the Compensation Policy and the Employee Policies Manual.

All permanent employees of the Bank are covered. The total number of permanent employees of the Bank at March 31, 2026 was 8,574.

(b) Information relating to the design and structure of remuneration processes of processes and the key features and objectives of remuneration policy:

Key features and objectives of Compensation policy: The Bank, under the guidance of the NRC and the Board, follows remuneration practices that are intended to drive meritocracy and performance based on a prudent risk management framework and in line with the RBI guidelines.The NRC has oversight over compensation to senior management personnel and also provides overall guidance to the compensation paid to other employees. While the Bank seeks to achieve a mix of fixed and variable (cash and non-cash) remuneration for employees covered under the new Compensation Policy, for all other employees, it has predominantly a fixed remuneration structure with no guaranteed bonuses. Also, the remuneration of employees in financial and risk control functions is not linked to business outcomes and solely depends on their performance. Further, the Bank has an Employee Stock Option Scheme for eligible employees aimed at aligning compensation to long term performance through stock options that vest over a period of time.

Effective governance of compensation: The NRC has oversight over compensation to senior management personnel and also provides overall guidance to the compensation paid to other employees.

Alignment of compensation philosophy with prudent risk taking: While the Bank seeks to achieve a mix of fixed and variable (cash and non-cash) remuneration for employees covered under the new Compensation Policy, for all other employees, it has predominantly a fixed remuneration structure with no guaranteed bonuses. Also, the remuneration of employees in financial and risk control functions is not linked to business outcomes and solely depends on their performance. Further, the Bank has an Employee Stock Option Scheme for eligible employees aimed at aligning compensation to long term performance through stock options that vest over a period of time.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made: Yes; the Compensation Policy was modified and approved during the period. The keys changes included roles identified for Material Risk Takers and Risk Control Staff and change in deferment period for cash variable.

Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee: The remuneration of employees in control functions such as Risk and Compliance depends solely on their performance and is not linked to any business outcomes.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes including the nature and type of the key measures used to take account of these risks:

Overview of the key risks that the Bank takes into account when implementing remuneration measures: The Board approves the overall risk management policy including risk framework, limits, etc. The Bank conducts all its business activities within this framework. The NRC while assessing the performance of the Bank and senior management, shall consider adherence to the policies and accordingly make its recommendations to the Board. The evaluation process shall incorporate both qualitative and quantitative aspects including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and mentoring key members of the top and senior management. In order to ensure alignment of remuneration with prudent practices, the NRC takes into account adherence to the risk framework in addition to business performance.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure: The evaluation process shall incorporate both qualitative and quantitative aspects including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and mentoring key members of the top and senior management.

Discussion of the ways in which these measures affect remuneration: In order to ensure alignment of remuneration with prudent practices, the NRC takes into account adherence to the risk framework in addition to business performance.

Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration: With the introduction of the new Compensation Policy, the compensation structure of employees covered therein has undergone a change resulting in an increase in overall remuneration.

(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:

Overview of main performance metrics for the Bank, top level business lines and individuals: The main performance metrics include profitability, business growth, asset quality, compliance, and customer service. The assessment of employees shall be based on their performance with respect to their result areas and shall include the metrics mentioned above.

Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance: The assessment of employees shall be based on their performance with respect to their result areas and shall include the metrics mentioned above.

Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics: In case such an event should occur, the Board/NRC shall review and provide overall guidance on the corrective measures to be taken.

(e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance: Under the new Compensation Policy, the cash variable component will be deferred over 2-3 years and the non-cash variable component (employee stock options) will be deferred over the vesting period as per the extant ESOP Scheme. In case of other employees, where cash variable is not applicable and in case of employees being granted ESOPs, they will be deferred over the vesting period as per the extant ESOP Scheme. In the case of employees covered under the Compensation Policy, all deferred variable compensation would be subjected to malus/clawback arrangements as provided in the RBI guidelines and this would be administered by the NRC.

Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements: In the case of employees covered under the Compensation Policy, all deferred variable compensation would be subjected to malus/clawback arrangements as provided in the RBI guidelines and this would be administered by the NRC.

(f) Description of the different forms of variable remuneration that the Bank utilises and the rationale for using these different forms:

As per the Compensation Policy, the variable remuneration will comprise of cash and non-cash components.

Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance: As per the new Compensation Policy, only the employees falling under the categories of Material Risk Takers (MRTs), Risk Control & Compliance Staff (RCS) and All Other Employees (AOEs) and who do not earn performance linked

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

incentives, are eligible for variable remuneration which could be in cash and/or non- cash forms. The Policy also determines the category-wise mix of the variable compensation payable.

B) Quantitative Disclosures

Sr. No	Subject	March 31, 2026*	March 31, 2025*
(g)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings: 7 Remuneration paid: ₹ 0.11 Crores	Number of meetings: 7 Remuneration paid: ₹ 0.14 Crores
(h) (i)	Number of employees having received a variable remuneration award during the financial year.	9	7
(h) (ii)	Number and total amount of sign-on/joining bonus made during the financial year	No: 6, ESOPs: 3,54,598	No: 6, ESOPs: 1,34,487
(h) (iii)	Details of severance pay, in addition to accrued benefits, if any	Nil	Nil
(i) (i)	Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	Cash of Rs. 1.15 crores and Non cash as per ESOP scheme of the Bank	Cash of ₹ 0.47 crores and Non cash as per ESOP scheme of the Bank
(i) (ii)	Total amount of deferred remuneration paid out in the financial year	Nil	Nil
(j) (i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non deferred.	Fixed Pay**: ₹ 12.54 Crores Cash Variable: ₹ 1 crores (The Cash Variable is deferred as per RBI Guidelines and the Compensation Policy of the Bank)	Fixed Pay**: ₹ 9.10 Crores Cash Variable: ₹ 0.81 crores (The Cash Variable is deferred as per RBI Guidelines and the Compensation Policy of the Bank)
(k) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Nil	Nil
(k) (ii)	Total amount of reductions during the Financial year due to ex post explicit adjustments.	Nil	Nil
(k) (iii)	Total amount of reductions during the financial year due to ex post implicit adjustments	Nil	Nil
(l)	Numbers of MRT identified	7	7
(m) (i)	Number of cases where malus has been exercised.	Nil	Nil
(m) (ii)	Number of cases where clawback has been exercised.	Nil	Nil
(m) (iii)	Number of cases where both malus and clawback have been exercised.	Nil	Nil
(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	0.00420 Crores MD & CEO: 39.49 X ED: 33.88 X	0.00384 Crores MD & CEO: 41.15 X ED: 33.94 X

*The quantitative disclosures for covers MD & CEO and Material Risk Takers only [b(i),b(ii), c(i), d(i)].

**Fixed pay includes basic salary, retirals and perquisites.

Disclosure on remuneration to Non-Executive Directors

Particulars	March 31, 2026	March 31, 2025
Remuneration by way of sitting fees to the Non-Executive Directors for attending meetings of the Board and its committees	1.25	1.74
Profit related commission to all Non-Executive Directors other than the Chairperson	-	-

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

14 Other Disclosures

a) Business ratios

Particulars	March 31, 2026	March 31, 2025
i) Interest income as a percentage to Working Funds[1]	12.89%	14.59%
ii) Non-interest income as a percentage to Working Funds[1]	2.15%	1.62%
iii) Cost of Deposits (%)[2]	7.68%	7.97%
iv) Net Interest Margin (%)[3]	7.35%	8.96%
v) Operating Profit[4] as a percentage to Working Funds[1]	2.29%	2.91%
vi) Return on Assets	0.94%	0.84%
vii) Business[5] (deposit plus advances) per employee6 (₹ in crore)	3.09	2.55
viii) Profit per employee[6] (₹ in crore)	0.02	0.01

1. Working funds represent the monthly average of total assets computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.

2. Cost of Deposits is the ratio of interest expenses on deposit to daily average of total deposits.

3. Net Interest Margin is Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense and Average Earning Assets is Daily average of total of Gross advances, investments and balance with banks and money at call and short notice.

4. Operating profit is net profit for the year before provisions and contingencies.

5. 'Business' is the total of advances and deposits (net of inter-bank deposits).

6. Productivity ratios are based on average monthly employee numbers.

b) Bancassurance Business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

Nature of income	For the year ended March 31, 2026	For the year ended March 31, 2025
For selling life insurance policies	46.83	30.30
For selling non-life insurance policies	4.68	2.14
Total	**51.51**	**32.44**

c) Marketing and distribution

Nature of income	For the year ended March 31, 2026	For the year ended March 31, 2025
Commission on Mutual Funds	0.22	0.15
Commission from PMJJBY	0.45	0.01
Total	**0.67**	**0.16**

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Type of PSLCs	For the year ended March 31, 2026		For the year ended March 31, 2025	
	PSLC bought	PSLC sold	PSLC bought	PSLC sold
Agriculture	-	-	830.00	-
Small and Marginal Farmers	-	2,192.50	-	2,500.00
Micro Enterprises	-	-	200.00	-
General	-	-	-	-
Total	**-**	**2,192.50**	**1,030.00**	**2,500.00**

Schedules to the Financial Statements

for the year ended March 31, 2026
(All amounts are in Indian Rupees in crore unless otherwise stated)

e) Provisions and contingencies

Breakup of provisions and contingencies recognised in Profit and Loss Account comprise of:

Provision debited to Profit and Loss Account	March 31, 2026	March 31, 2025
i) Provision for NPI		-
ii) Provision towards NPA (Net off write off)	544.32	258.19
iii) Provision made towards Income tax	64.02	45.29
iv) Provision for deferred tax	(16.42)	(16.42)
v) Provision for standard assets	6.22	9.13
vi) Provision for depreciation on investment	(9.74)	(5.51)
vii) Other provision and contingencies	(356.31)	(16.44)
Total	**232.08**	**274.24**

f). Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The banks are advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the the Reserve Bank in this regard. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard.

g) Payment of DICGC Insurance Premium

Deposit insurance premium, as applicable, was paid to Deposit Insurance and Credit Guarantee Corporation (DICGC) within the prescribed timelines for current year and previous year.

h) Disclosure of Letters of Comfort (LoCs) issued by banks

The Bank has not issued letter of comfort during the year ended March 31, 2026 (March 31, 2025: ₹ Nil).

i) Portfolio-level information on the use of funds raised from green deposits

During the year 2025-26, the Bank has not raised Green deposits and hence the Portfolio level information on use of funds and reporting on allocation of proceeds of Green deposits to green activities/projects as mentioned in circular RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023 is not applicable (March 31, 2025: ₹ Nil).

15. Employees Stock Option Scheme

The Bank has share-based payment schemes for it's employees. Schemes in operation Employee Stock Option Scheme 2016 and Employee Stock Option Scheme 2019. During the year-ended March 31, 2026, the Bank has issued 6,15,357 options (March 31, 2025: 8,17,740) under the Employee Stock Option Scheme 2019.

The details of the Employee Stock Option Scheme are as under:

Particulars	Employee Stock Option Scheme 2016				
Grant Date	January 19, 2017	July 27, 2017	March 1, 2018	July 16, 2018	February 5, 2019
Number of Options granted	15,10,000	5,50,000	3,06,950	4,07,000	7,24,000
Method of Settlement	Equity				
Vesting	25% after one year from the date of grant and every year thereafter.				
Exercisable period	3 years from the Vesting date				
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee				
Exercise Price Per Option	₹ 108	₹ 125	₹ 127	₹ 140	₹ 173

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Employee Stock Option Scheme 2019					
Grant Date	November 06, 2019	January 10, 2020	January 01, 2021	October 13, 2021	April 28, 2022	September 13, 2022
Number of Options granted	18,72,100	1,95,000	3,15,000	3,70,000	6,54,500	7,79,350
Method of Settlement	Equity					
Vesting	25% after one year from the date of grant and every year thereafter.					
Exercisable period	3 years from the Vesting date					
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee					
Exercise Price Per Option	₹ 196	₹ 196	₹ 253	₹ 189	₹ 137	₹ 114

Particulars	Employee Stock Option Scheme 2019					
Grant Date	July 25,2023	November 08, 2023	January 24, 2024	April 08, 2024	May 08, 2024	July 24, 2024
Number of Options granted	7,79,942	75,000	1,90,000	2,00,000	1,00,000	5,17,740
Method of Settlement	Equity					
Vesting	25% after one year from the date of grant and every year thereafter.					
Exercisable period	3 years from the Vesting date					
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee					
Exercise Price Per Option	₹ 176	₹ 165	₹ 163	₹ 187	₹ 195	₹ 177

Particulars	Employee Stock Option Scheme 2019	
Grant Date	September 10, 2025	February 10, 2026
Number of Options granted	5,30,357	85,000
Method of Settlement	Equity	
Vesting	25% after one year from the date of grant and every year thereafter.	
Exercisable period	3 years from the Vesting date	
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee	
Exercise Price Per Option	₹ 181	₹ 181

Following are the outstanding options as at year end:

Particulars	Employee Stock Option Scheme 2016		Employee Stock Option Scheme 2019	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Total Options granted and outstanding at the beginning of the year	30,311	94,364	28,56,542	27,23,145
Add: Options granted during the year	-	-	6,15,357	8,17,740
Less: Options forfeited/lapsed during the year	30,311	52,853	8,65,619	6,11,417
Less: Options exercised during the year	-	11,200	5,000	72,926
Options Outstanding as at end of the year	**-**	**30,311**	**26,01,280**	**28,56,542**
- Vested	-	30,311	10,70,184	10,85,338
- Yet to Vest	-	-	15,31,096	17,71,204

The value of options have been estimated on the date of the grant using Black-Scholes model.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant are:

Variables	Employee Stock Option Scheme 2016 - Grant 1			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.50%	5.50%	5.50%	5.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.68%	39.61%	38.41%	40.66%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	42.82	48.32	53.26	60.00

Variables	Employee Stock Option Scheme 2016 - Grant 2			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.50%	5.50%	5.50%	5.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	38.88%	38.78%	37.41%	39.34%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	37.43	44.74	49.95	57.16

Variables	Employee Stock Option Scheme 2016 - Grant 3			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.50%	6.50%	6.50%	6.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	39.35%	39.32%	38.05%	37.08%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	39.68	47.58	53.37	58.52

Variables	Employee Stock Option Scheme 2016 - Grant 4			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.65%	6.70%	6.70%	6.75%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	33.05%	37.71%	38.38%	37.34%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	38.86	51.12	59.19	65.01

Variables	Employee Stock Option Scheme 2016 - Grant 5			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.38%	7.38%	7.38%	7.38%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	30.63%	38.03%	37.18%	37.28%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	47.50	65.37	74.07	82.60

Variables	Employee Stock Option Scheme 2019 - Grant 1			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.50%	6.50%	6.50%	6.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	32.19%	32.81%	37.19%	37.63%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	54.00	66.17	81.67	91.40

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Variables	Employee Stock Option Scheme 2019 - Grant 2			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.56%	6.56%	6.56%	6.56%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	32.64%	31.90%	37.22%	36.75%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	54.62	65.29	81.90	90.49

Variables	Employee Stock Option Scheme 2019 - Grant 3			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.93%	5.93%	5.93%	5.93%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	48.88%	44.66%	41.93%	43.95%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	90.64	101.01	110.29	125.47

Variables	Employee Stock Option Scheme 2019 - Grant 4			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.28%	6.28%	6.28%	6.28%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	51.31%	46.61%	43.19%	42.08%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	70.62	78.30	84.76	92.38

Variables	Employee Stock Option Scheme 2019 - Grant 5			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.08%	7.08%	7.08%	7.08%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	48.02%	45.04%	42.89%	44.47%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	49.84	56.85	62.84	70.91

Variables	Employee Stock Option Scheme 2019 - Grant 6			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.20%	7.20%	7.20%	7.20%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	50.03%	46.55%	43.92%	42.68%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	43.02	48.73	53.51	58.28

Variables	Employee Stock Option Scheme 2019 - Grant 7			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.09%	7.09%	7.09%	7.09%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	42.40%	50.73%	47.27%	45.16%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	58.75	78.73	85.36	91.77

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Variables	Employee Stock Option Scheme 2019 - Grant 8			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.28%	7.28%	7.28%	7.28%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	40.16%	42.99%	47.19%	44.66%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	53.64	67.10	80.67	86.34

Variables	Employee Stock Option Scheme 2019 - Grant 9			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.98%	7.01%	7.03%	7.04%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.34%	41.89%	47.89%	45.16%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	53.44	64.60	79.71	85.06

Variables	Employee Stock Option Scheme 2019 - Grant 10			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.98%	7.01%	7.02%	7.02%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.30%	41.76%	47.38%	45.19%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	61.22	73.91	90.77	97.49

Variables	Employee Stock Option Scheme 2019 - Grant 11			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.98%	7.01%	7.02%	7.02%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	42.13%	41.48%	47.53%	45.22%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	64.92	77.01	95.16	102.03

Variables	Employee Stock Option Scheme 2019 - Grant 12			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.77%	6.80%	6.82%	6.83%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	39.84%	40.15%	47.50%	45.10%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	56.27	67.89	85.67	91.77

Variables	Employee Stock Option Scheme 2019 - Grant 13			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.79%	5.94%	6.08%	6.20%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	31.94%	36.62%	37.69%	44.30%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	14.32	25.53	33.66	47.19

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Variables	Employee Stock Option Scheme 2019 - Grant 14			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.88%	6.08%	6.26%	6.42%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	32.91%	35.51%	37.64%	38.81%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	20.81	31.58	41.69	50.32

Amount spent during the the financial year:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee stock option expenditure (included in schedule 16 (I))	1.79	4.44

Particulars	As at March 31, 2026	As at March 31, 2025
Employee stock options outstanding account (included in schedule 2 (V))	10.17	11.98

The Expected life of the stock option is based on historical data and current expectation and is not necessarily indicative of the pattern that may occur.

The expected volatility reflects the assumption that the historical volatility of a comparable listed entity for 6 years period ended on the date of the grant is indication of future trends which may not necessarily be the actual outcome.

16. Segment Reporting

Business segments have been identified and reported taking into account, the customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the guidelines prescribed by the RBI. The Bank operates in the following segments:

a) Treasury

Treasury performs liquidity management activities for various business segments. Transfer pricing is based on internally approved yield curve or at an agreed transfer rate on the funding provided by treasury to another business segment.

b) Retail banking

The retail banking segment serves retail customers through a branch network. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof.

Revenues of the retail banking segment are primarily derived from interest and fees earned on retail loans, interest on deposits placed as collateral with the Bank. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

c) Wholesale/Corporate banking

Wholesale banking includes all advances to borrowers, which are not included under Retail banking. Revenues of the wholesale banking segment consist of interest and fees on loans made to customers.

d) Other Banking Operation

Other Banking includes other items not attributable to any particular business segment. This segment includes income from para banking activities such as distribution of third party product and the associated costs.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

e) Unallocated

All items which are reckoned at an enterprise level are classified under this segment. This includes other unallocable assets and liabilities such as deferred tax etc.

Geographical segments

The business operations of the Bank are concentrated in India hence the Bank is considered to operate only in domestic segment.

Segment reporting for the year ended March 31, 2026 is given below:

Particulars	Treasury	Retail banking	Corporate Banking	Other banking operations	Total
Segment Revenue	302.75	2,342.63	162.44	52.16	2,859.98
Segment Result	53.07	200.82	(43.91)	-	209.98
Unallocated expenses					(10.41)
Operating Profit					199.57
Income taxes					47.60
Extraordinary profit/loss					-
Net Profit					151.97
Other information:					
Segment assets	5,843.16	11,683.02	2,326.75	6.61	19,859.54
Unallocated assets					24.42
Total assets					19,883.96
Segment Liabilities	3,153.46	10,820.81	3,826.42	4.11	17,804.80
Unallocated liabilities					0.84
Total liabilities					17,805.64

1. Inter-segment revenue is based on internally approved yield curve or at an agreed transfer rate on the funding provided by one business segment to another. Transaction cost is levied between segments on cost plus basis.

2. The RBI vide its circular No. RBI/2022-23/19/DOR.AUT.REC.12/2022-23 dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. At present, the Bank does not have DBUs and hence no Digital Banking Segment disclosure have been made.

Segment reporting for the year ended March 31, 2025 is given below:

Particulars	Treasury	Retail banking	Corporate	Other banking operations	Total
Segment Revenue	238.61	2,039.11	123.41	34.42	2,435.55
Segment Result	19.62	207.72	(71.47)	-	155.87
Unallocated expenses					(12.04)
Operating Profit					143.83
Income taxes					28.86
Extraordinary profit/loss					-
Net Profit					114.97
Other information:					
Segment assets	4,845.37	9,003.26	1,674.41	9.71	15,532.75
Unallocated assets					81.64
Total assets					15,614.39
Segment Liabilities	2,727.94	7,612.86	3,341.54	4.90	13,687.24
Unallocated liabilities					0.05
Total liabilities					13,687.29

1. Inter-segment revenue is based on internally approved yield curve or at an agreed transfer rate on the funding provided by one business segment to another. Transaction cost is levied between segments on cost plus basis.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

2. The RBI vide its circular No. RBI/2022-23/19/DOR.AUT.REC.12/2022-23 dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. At present, the Bank does not have DBUs and hence no Digital Banking Segment disclosure have been made.

17. Employee benefits

Employee benefits - Gratuity

The Bank has non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and years of service. Every employee who has completed five years or more of service gets a gratuity on cessation of employment at 15 days salary (last drawn basic salary) for each completed year of service, subject to a maximum of ₹ 20 Lakhs (March 31,2025: ₹ 20 Lakhs). The scheme is funded with HDFC Standard Life Insurance Company Ltd. The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet.

Expenses recognised in the Profit and Loss Account	March 31, 2026	March 31, 2025
Current service cost	4.69	3.77
Interest cost on benefit obligation	1.09	0.87
Past Service Cost	0.19	-
Expected return on plan assets*	(0.01)	(0.01)
Net actuarial (gain)/loss recognized in the year	1.07	1.26
Claim received in last year (Bal Fig.)	-	(0.33)
Employer Expenses	**7.03**	**5.56**

* Represents expected returns determined by the actuary

Net Liability/(Asset) recognised in the Balance Sheet	March 31, 2026	March 31, 2025
Present value of Defined Benefit Obligation	22.56	17.11
Fair value of plan assets	(0.11)	(0.11)
Net liability recognized in balance sheet	22.45	17.00
Less: Unrecognised Past Service Cost	(0.06)	
Liability recognized in balance sheet	**22.39**	**17.00**
of which, Short term provision	**4.90**	**3.75**

Reconciliation of Defined Benefit Obligation (DBO)	March 31, 2026	March 31, 2025
Present Value of DBO at start of year	**17.10**	**12.64**
Interest cost	1.09	0.87
Current service cost	4.69	3.77
Past Service Cost	0.25	-
Benefits paid	(1.64)	(1.43)
Actuarial loss	1.06	1.26
Present Value of DBO at end of year	**22.56**	**17.10**

Reconciliation of Fair Value of Plan Assets	March 31, 2026	March 31, 2025
Fair Value of Plan Assets at start of year	0.11	0.10
Expected return on plan assets	0.01	0.01
Contributions by the employer	1.64	1.43
Benefits paid	(1.64)	(1.43)
Actuarial (loss)/gain	(0.01)	-
Fair value of plan assets at end of year	**0.11**	**0.11**
Estimated employer contributions for the next year	1.50	1.50
Actual return on plan assets	0.01	0.01

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

The principal assumptions used in determining gratuity obligations for the Bank's plan are shown below:	March 31, 2026	March 31, 2025
Discount rate	0.06	0.06
Expected rate of return on assets	0.06	0.07
Employee turnover	0.30	0.30
Salary growth rate	0.08	0.08
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	2.5 years	2 years

Percentage break-down of total plan assets	March 31, 2026	March 31, 2025
Insurer Managed Funds (non unit-linked)	42%	40%
Insurer Managed Funds (unit-linked)	58%	60%
Total	**100.00%**	**100.00%**

Planned Asset Break up for Unit Linked Fund (Balanced Managed Fund)	March 31, 2026	March 31, 2025
Equities	44.77%	45.00%
Debentures and Bonds	24.12%	11.17%
Government Securities	21.02%	40.14%
Deposits, Money market instruments and net current assets	10.09%	3.69%
Total	**100.00%**	**100.00%**

Planned Asset Break up for Unit Linked Fund (Secure Managed Fund)	March 31, 2026	March 31, 2025
Debentures and Bonds	66.51%	36.42%
Government Securities	27.22%	57.22%
Deposits, Money market instruments and net current assets	6.27%	6.36%
Total	**100.00%**	**100.00%**

Planned Asset Break up for Non Linked Fund	March 31, 2026	March 31, 2025
Government Securities	0.00%	11.57%
Corporate Bonds	96.91%	84.48%
Cash and Deposit	3.09%	3.95%
Total	**100.00%**	**100.00%**

Experience Adjustments	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Present Value of DBO	22.56	17.11	12.64	9.33	8.83
Less: Fair Valuation of Plan Assets	(0.11)	(0.11)	(0.10)	(0.13)	0.17
Funded Status [Surplus/(Deficit)]	**22.45**	**17.00**	**12.54**	**9.20**	**(8.66)**
Experience adjustment on plan liabilities: (Gain)/Loss	0.90	0.95	1.09	(0.07)	0.36
Experience adjustment on plan Assets: Gain/ (Loss)	(0.01)	(0.00)	0.01	(0.01)	0.04

Employee benefits - Leave Availment

The actuarial liability in respect of privilege leave granted to employees of the Bank and outstanding as at March 31, 2026 is ₹ 2.12 crore (March 31, 2025: ₹ 1.55 crores).

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Assumption used:

Discount rate: 6.2%

Salary escalation rate: 7.5%

The estimates of future salary growth considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

All the assets consist of unit-linked and traditional insurer managed debt instruments, the expected rate of return on assets is drawn from the Indian Government bond yields.

Employee benefits - Provident Fund

The contribution to Employees Provident Fund included under "Payments to and Provisions for Employees" in Schedule 16 amounted to ₹ 25.84 crores for the year ended March 31, 2026 (March 31, 2025: ₹ 23.29 crores).

18. Earnings per equity share

Particulars	March 31, 2026	March 31, 2025
Net profit after tax (in crore)	151.97	114.97
Weighted average number of equity shares in computing the basic earnings per share	10,62,88,071	10,62,53,850
Basic earnings per share (₹)	**14.30**	**10.82**
Weighted average number of equity shares in computing the diluted earnings per share (₹)	10,63,52,688	10,63,02,014
Diluted earnings per share (₹)	**14.29**	**10.75**
Nominal value per Share (₹)	10.00	10.00

Reconciliation of weighted average number of equity share

Particulars	March 31, 2026	March 31, 2025
Weighted average number of equity shares in computing the basic earnings per share	10,62,88,071	10,62,53,850
Effect of potential equity shares outstanding	64,617	48,164
Weighted average number of equity shares in computing the diluted earnings per share	10,63,52,688	10,63,02,014

Basic earnings per equity share is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit or loss after tax for the year attributable to equity shareholder by weighted average number of equity shares including potential equity shares outstanding as at the end of the year, except when results are anti dilutive.

19. Deferred taxes

As at March 31, 2026, the Bank has recorded net deferred tax asset of ₹ 84.53 crores (March 31, 2025: ₹ 67.30 crores), included in other assets under schedule 11[VI].

Particulars	March 31, 2026	March 31, 2025
A) Deferred tax asset arising out of:		
Loan loss provision	74.81	66.21
Employee benefits	6.17	7.02
Others	10.66	0.68
Total (A)	**91.64**	**73.91**
B) Deferred tax liability arising out of:		
Depreciation	(7.10)	(6.61)
Total (B)	**(7.10)**	**(6.61)**
Deferred tax asset (net) (A-B)	**84.53**	**67.30**

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

20. Other Additional Disclosures

a) Provision on Standard Assets

Particulars	March 31, 2026	March 31, 2025
Provision towards standard assets*	44.85	38.63

* It includes UFCE and restrucutre provision

b) Contingent liabilities

Particulars	March 31, 2026	March 31, 2025
Service tax liability	0.74	0.72
Income tax liability	0.00	0.00
GST liability	0.44	0.95
Undrawn commitments	0.02	0.07
Capital commitments	4.13	18.98
Others	0.09	0.04
Total	**5.42**	**20.76**

Description of contingent liabilities

i) Claims against the Bank not acknowledged as debts - taxation

The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and taxation laws.

ii) Claims against the Bank not acknowledged as debts - others

The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.

c) Leases

Operating lease primarily comprises of office premises, computers and tablets, which are renewable at the option of the Bank. The future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	March 31, 2026	March 31, 2025
Not later than one year	4.16	7.72
Later than one year but not later than five years	5.01	6.98
Later than five years	-	-
Total	**9.17**	**14.70**
The total lease payments recognised in Profit and Loss account for the year	59.56	54.91

There are no provisions relating to contingent rent

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

d) Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Bank during the year ended March 31, 2026 is ₹ 3.55 crore (March 31, 2025 ₹ 1.74 crores) under section 135 of the Companies Act, 2013.

Particulars	March 31, 2026	March 31, 2025
a) Gross amount required to be spent by the Bank during the year	3.55	1.74
b) Amount spent during the year		
i) Construction/acquisition of asset	-	-
ii) on purpose other than (i) above	1.92*	2.10
c) Previous years surplus	1.61	1.25
d) Surplus at year end	(0.02)	1.61#
e) Transferred to Unspent CSR Bank A/cs	0.17	-
f) Nature of CSR activities	Livelihood promotion, literacy, women empowerment, preventive healthcare and environment conservation.	

FY 25, There was a surplus of ₹ 1.61 crore, which includes ₹ 0.10 crore relating to ongoing CSR projects that has been paid but remains unspent.

* FY 26, During the year, the Bank contributed ₹ 2.10 crore towards CSR activities and utilised ₹ 2.02 crore, including ₹ 0.10 crore from the previously unspent amount. Consequently, ₹ 0.17 crore has been transferred to the Unspent CSR Account in compliance with Section 135(6) of the Companies Act, 2013.

e) Details of payment of Audit fees.

Particulars	March 31, 2026	March 31, 2025
Statutory Audit fees and other related services*	1.05	0.90
Other matters	-	-
Total	**1.05**	**0.90**

*Includes out of pocket expenses.

f) (i) Miscellaneous income more than 1% of total income

Particulars	March 31, 2026	March 31, 2025
Income on Priority sector lending certificates	50.13	46.43

f) (ii) Other Expenditure more than 1% of total income

Particulars	March 31, 2026	March 31, 2025
Brokerage (includes loan acquisition commission)	93.35	82.09
Premium paid to CGFMU	76.42	72.64
Professional fees (includes payment to outsourced vendors)	38.69	39.63

g) Others assets and Other Liabilities exceeding 1% of total Assets.

Particulars	March 31, 2026	March 31, 2025
IMPS - Outward Settlement Account	238.48	54.60

h) Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

The Bank has restructured accounts in accordance with RBI circular on Micro, Small and Medium enterprise (MSME) sector) - Restructuring of advances

1. Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)_RBI/2021-22/32/DOR.STR.REC.12/21.04.048/2021-22.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

2. Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances circular RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21

Particulars	As at March 31, 2026	As at March 31, 2025
No. of accounts restructured	9*	32*
Amount in ₹ crore	0.06	0.73

*Excludes Accounts Sold to ARC and Write Offs.

i) Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank

During the year ended March 31, 2026 and March 31, 2025, the Bank has not exceeded the prudential credit exposure limit as prescribed by the Reserve Bank of India in respect of Single Borrower and Group Borrowers.

j) Inter- Bank Participation with Risk Sharing

The aggregate amount of participations issued by the Bank are reduced from Advances as per regulatory guidelines as on March 31, 2026 is ₹ 60 Crores (March 31, 2025: ₹ Nil)

k) Related party disclosure

As per AS 18 Related Party Disclosures notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014 and Companies (Accounting Standards) Amendment Rules 2016, the Banks' related parties during the year ended March 31, 2026 are disclosed below:

Key Management Personnel (KMP):

Mr. Baskar Babu Ramachandran (Managing Director and CEO)

Mr. Hemant Premchandbhai Shah (Whole time director)

Mr. Kanishka Chaudhary (Chief Financial Officer)

Mr. Krishna Kant Chaturvedi (Company Secretary)

Relatives of Key Management Personnel (KMP):

Shilpa Bhaskar Babu

Jayatri Dasgupta

Mrs. Mangla Chaturvedi

Ms. Swati Datye

Directors (other than Executive Directors listed under KMP)

Mr. Krishna Prasad Nair (Independent Director)

Mr. Arun Kumar Diaz (Independent Director)

Mr. Deepak Kumar Sharma (Independent Director)

Ms. Swati Datye (Independent Director)

Mr. Vivek Karve (Independent Director)

Mr. Alok Sethi (Independent (Additional) Director w.e.f. March 12, 2026)

Mr. Sunil Gulati (Independent (Additional) Director w.e.f. March 12, 2026)

Mr. Ranjit Shah (Nominee/Investor Director)

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

Transactions with Related Parties for the year ended March 31, 2026

Particulars	KMP	Directors	Relative of KMP	Total
Deposit accepted during the year	0.06	0.39	0.16	0.61
Deposit repaid during the year	-	0.07	0.19	0.26
Sitting Fees paid	-	1.25	-	1.25
Interest on Deposits	0.00	0.04	0.05	0.10
Remuneration	5.99	-	-	5.99

Balances with Related Parties for the year ended March 31, 2026

Particulars	KMP	Directors	Relative of KMP	Total
Term Deposit as on 31.03.2026	0.06	0.88	0.62	1.57
Maximum Balances - Term Deposits	0.06	0.88	0.77	1.72

Transactions with Related Parties for the year ended March 31, 2025

Particulars	KMP	Directors	Relative of KMP	Total
Deposit accepted during the year	0.18	0.05	0.14	0.37
Deposit repaid during the year	0.00	-	-	0.00
Sitting Fees paid	-	1.74	-	1.74
Interest on Deposits	0.18	-	0.08	0.26
Remuneration	5.51	-	-	5.51

Balances with Related Parties for the year ended March 31, 2025

Particulars	KMP	Directors	Relative of KMP	Total
Term Deposit as on 31.03.2025	0.40	0.05	0.60	1.05
Maximum Balances - Term Deposits	0.40	0.05	0.60	1.04

l) Small and micro industries

The details of amount outstanding to Micro & Small Enterprises under the Micro and Small Enterprises Development Act,2006 (MSMED Act), based on the available information with the Company and relied upon by the auditors are as under:

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount due thereon remaining unpaid to any suppliers as at the end of the accounting year	-	-
The amount of interest paid by the Company under MSMED Act,2006 along with the amounts of payments made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making the payment, but without adding the interest specified under the MSME Act.	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The principal amount not due and remaining unpaid	-	0.21
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues are as above are actually paid to small enterprise.	-	-

Schedules to the Financial Statements

for the year ended March 31, 2026
(All amounts are in Indian Rupees in crore unless otherwise stated)

m) Investor education and protection fund

There were no amounts which were required to be transferred to the Investor education and protection fund by the Bank during the year ended March 31, 2026 (March 31, 2025: ₹ Nil).

n) Disclosure on the scheme for sustainable structuring of stressed assets

The Bank does not have any account under the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on March 31, 2026 (March 31, 2025: ₹ Nil).

o) Disclosure on flexible structuring of existing loans

The Bank does not have any account under the Scheme Flexible Structuring of Existing Loans as on March 31, 2026 (March 31, 2025: ₹ Nil).

p) Disclosure on strategic debt restructuring (SDR) scheme

The Bank does not have any account under the strategic debt restructuring (SDR) scheme as on March 31, 2026 (March 31, 2025: ₹ Nil).

q) Disclosure on change in ownership of project under implementation

The Bank does not have any account which are currently under the scheme of Change in Ownership of Projects Under Implementation as on March 31, 2026 (March 31, 2025: ₹ Nil).

r) Disclosure on change in ownership outside SDR scheme

The Bank does not have any account which are currently under the scheme of Change in Ownership Outside SDR as on March 31, 2026 (March 31, 2025: ₹ Nil).

s) The Code on Social Security, 2020

On November 21, 2025, the Government of India notified four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes', consolidating 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs on December 30, 2025, to facilitate assessment of the financial impact arising from these regulatory changes. Accordingly, the Bank has recognised an estimated incremental impact of ₹ 18.13 lakhs under 'Employees cost' in the Profit and Loss Account during the year ended 31st March 2026. The Bank continues to monitor developments relating to the implementation of the New Labour Codes and will review its estimates on ongoing basis.

t) No proceedings have been initiated on or are pending against the Bank for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

u) The Bank has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

v) The Bank, as part of its normal banking business, that is conducted ensuring adherence to all regulatory requirements, grants loans and advances, makes investments and accepts deposits and borrowings from its customer, other entities and persons.

(i) Other than the transactions described above which are carried out in the normal course of business, the Bank has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Bank has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Bank shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Schedules to the Financial Statements

for the year ended March 31, 2026

(All amounts are in Indian Rupees in crore unless otherwise stated)

w) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

x) Audit Trail

The Bank has used certain accounting software(s) for maintaining its books of account, which has a feature of recording the audit trail (edit log) facility. Further, to the extent enabled, the audit trail feature has been operated for the relevant transactions recorded in the accounting software(s). Also, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail feature of prior year(s) has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years. The Bank has established and maintained an adequate internal control framework and based on its assessment, believes that this was effective as of March 31, 2026

y) Comparatives

Figures for the previous year have been regrouped wherever necessary to conform with the current year presentation.

As per our report of even date

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration No: 106655W

Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
Partner
Membership No: 114749

Rahul Joglekar
Partner
Membership No: 129389

Krishna Prasad Nair
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and Chief Executive Officer
DIN-02303132

Vivek Karve
Director
DIN-06840707

Place: Navi Mumbai
Date: May 07, 2026

Place: Navi Mumbai
Date: May 07, 2026

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Notes

SURYODAY
A BANK OF SMILES

Suryoday Small Finance Bank Limited

Registered and Corporate Office:

1101 Sharda Terraces, Plot 65, Sector 11, CBD Belapur,
Navi Mumbai - 400 614