SBM bank

MORE *for* LESS

UNLOCKING EFFICIENCY

ANNUAL REPORT FY 2025-26

WHAT'S INSIDE

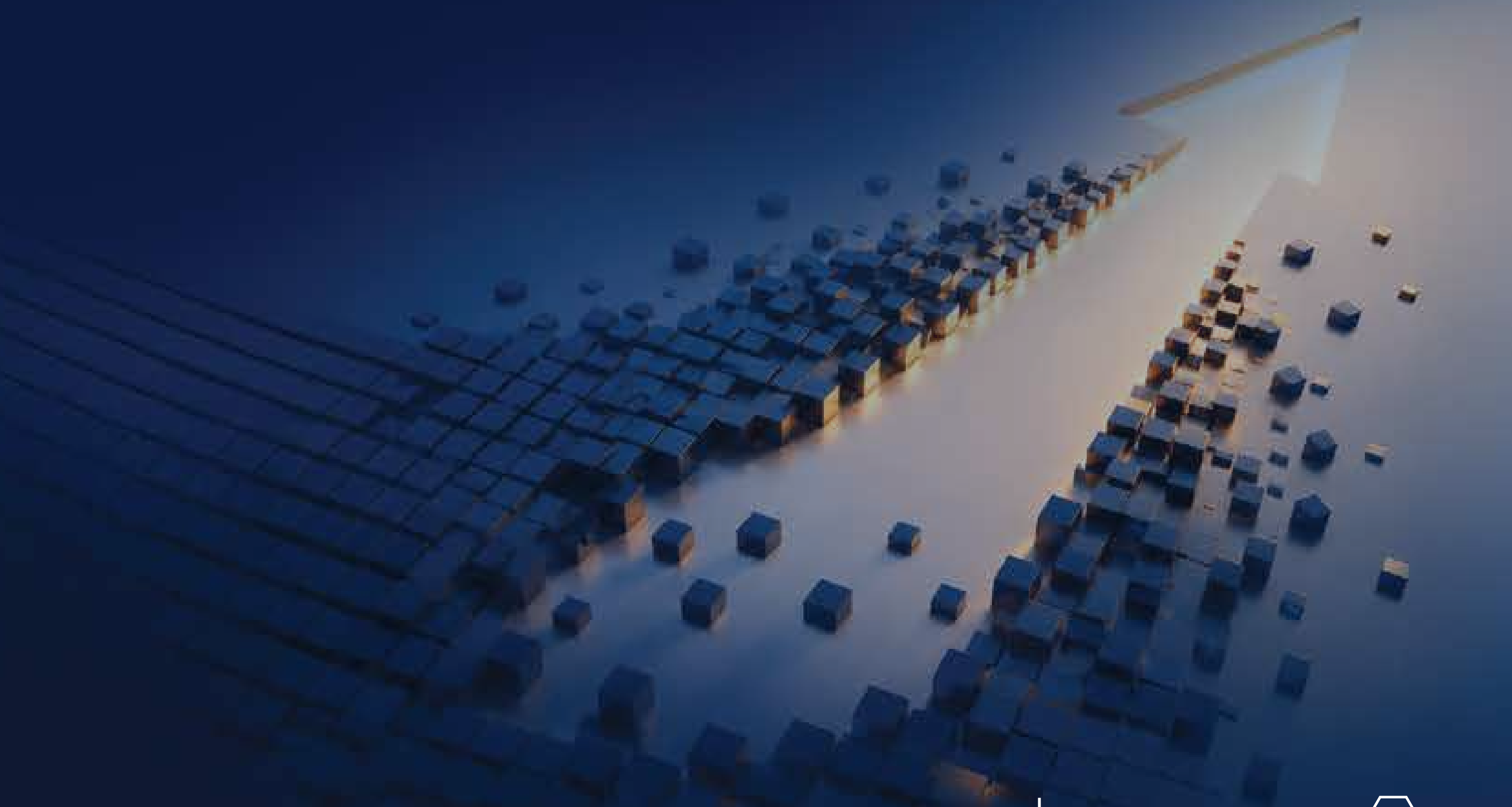
> Sustainable success comes from disciplined choices, not unlimited resources.

More for Less – Unlocking Efficiency

In an environment where resources are finite and expectations continue to rise, sustainable success is defined not by how much is invested, but by how effectively value is created. This year's theme, More for Less – Unlocking Efficiency, reflects SBM Bank India's philosophy of pursuing growth with discipline, clarity of purpose and prudent stewardship of resources.

Throughout the year, we remained focused on opportunities that offered the greatest long-term value, deployed capital selectively, enhanced operational effectiveness and leveraged technology to strengthen customer experiences and organisational resilience. Our progress underscores a fundamental belief: enduring growth is not a function of greater resource consumption, but of better allocation, sharper execution and thoughtful decision-making.

As we look ahead, More for Less will continue to serve as a guiding principle for the Bank. It represents far more than an efficiency imperative; it is a strategic mindset that enables stronger fundamentals, greater resilience and sustainable value creation for our customers, employees and all stakeholders.



Who we are

India's first foreign bank and first universal Bank under RBI's wholly Owned Subsidiary route is in its eighth year of operations in India. Present in India since 1994, SBM Bank India commenced its India operations under WOS route on December 1, 2018. The amalgamation of agile technology and banking expertise has enabled us to develop and deliver unique products with distinct propositions. As part of a multinational group, we also offer seamless solutions to leverage our parent's Asia and Africa market presence and experience. SBM Bank India is a part of the global banking conglomerate SBM Group having a footprint of over 5 decades.

50+
Years of Brand Legacy

2 Million+
customers in India

Strength of employees **750+**

22 branches

SBM Group

The SBM Group is a leading banking and financial services player in Mauritius, and has been contributing to the country's socio-economic development since its inception in 1973.

It is actively involved in the Asia-Africa corridor by means of dedicated banking subsidiaries operating in India, Madagascar and Kenya. The Group is committed to creating long term value for its stakeholders by offering bespoke solutions to individual, corporate and institutional clients in the banking and non-banking financial fields in Mauritius and internationally. The Group entities are guided by clear strategic orientations to grow their businesses, while preserving the soundness of their operations.

The SBM Group is the third largest listed entity on the Stock Exchange of Mauritius, with a market capitalisation of MUR 20.3 billion as at 31 December 2025. It is the holding company of various subsidiaries that operate under three clusters: Banking, Non-Banking-Financial and Non-Financial.

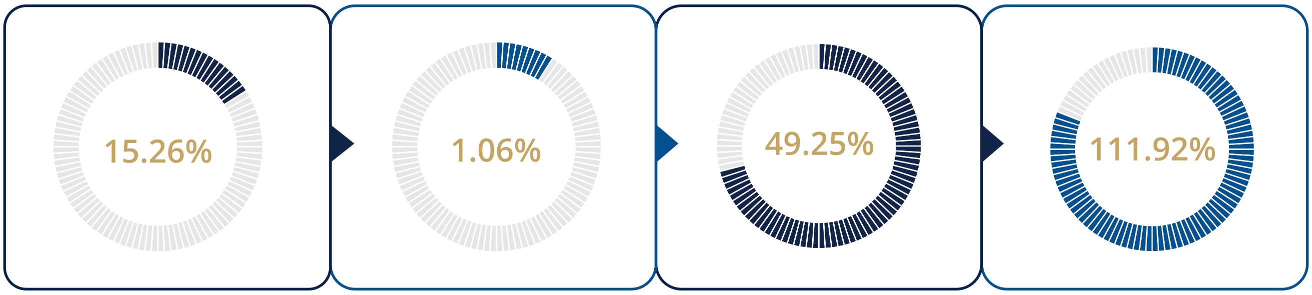
With total assets exceeding MUR 420 bn*, the SBM Group has over 100 branches, with more than 3,300* employees and some 3.8 million* customers in various locations.

*Figures are as at 31 December 2025

Key Financial Highlights

FY 2025-26

Ratios



Capital Adequacy | Net NPA | Provision Coverage | Liquidity Coverage

Net Interest Income
₹175.6 Crore

Net Worth
(after exceptional items)
₹820.72 Crore

Total Advances
₹6,160.45 Crore

CASA
₹2,341 Crore

Total Assets
₹11,445 Crore

Note: Net worth includes Capital + Reserves and Surplus

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

FY2026 was a significant year for SBM Group as we continued our transformation journey following the reconstitution of the Board of SBM Holdings Ltd. Our focus remained on strengthening governance, reinforcing risk discipline, enhancing operational effectiveness and restoring stakeholder confidence. These efforts have provided greater strategic alignment across the Group and established a stronger foundation for sustainable long-term growth.

India's Strategic Importance

As Chairman of both SBM Holdings Ltd and SBM Bank (India) Limited (the Bank), I have had the privilege of observing the Bank's progress within the broader context of the Group's evolution. From this vantage point, it is evident that enduring institutions are built not merely through growth, but through disciplined execution, prudent capital allocation and an unwavering commitment to governance.

As a leading global economy anchored by strong fundamentals, rapid digitization, and expanding financial inclusion, India remains central to our regional growth strategy. Against this backdrop, the Bank expanded its retail and corporate franchise while deepening its institutional offerings. Crucially, our Indian operations serve as the vital anchor of the India-Mauritius-East Africa strategic corridor, as we aim to drive cross-border trade and investment flows and accelerate synergies across the Group.

Building Momentum

I am pleased to note that the Bank delivered another year of quality-led growth while further improving the strength of its balance sheet. The achievement of a positive Pre-Provision Operating Profit during the year marks an important milestone, reflecting the growing sustainability of the Bank's operating model and the increasing strength of its core franchise. Combined with continued improvement in asset quality, disciplined risk management and a sound capital position, these outcomes provide a credible pathway towards profitability even as the global operating environment remains characterised by heightened geopolitical and macroeconomic uncertainty.

Unlocking Efficiency for Long-Term Value

Our Annual Report theme, "More for Less – Unlocking Efficiency," reflects an increasingly important principle in modern banking: creating greater value through disciplined use of capital, technology and talent. As the industry undergoes rapid transformation, institutions that combine innovation with operational efficiency and prudent governance will be best positioned for long-term success.

Technology and Governance as Enablers

Technology remains a critical enabler of the Bank's future growth. Continued investments in digital capabilities, automation and infrastructure are helping build a more agile, scalable and customer-centric institution, while maintaining strong standards of security and compliance.

The Board of the Bank remains firmly committed to upholding the highest standards of governance, oversight and accountability. We believe that strong governance is not merely a regulatory requirement but a fundamental driver of long-term trust and sustainable value creation.

Looking Ahead

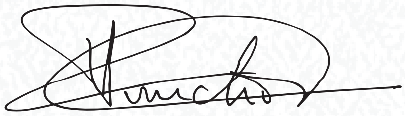
As we look ahead, I remain confident in the long-term prospects of both India and SBM Bank (India) Limited. The Bank enters its next phase with stronger foundations, improving momentum and a clear strategic direction. While institution-building is a long-term endeavour, the progress achieved thus far provides confidence that the Bank is well positioned to create enduring value for all stakeholders.

Acknowledgements

On behalf of the Board, I extend my sincere appreciation to our customers, employees, regulators, fellow Directors and shareholders for their continued trust, support and confidence.

Together, we will continue building a stronger, more resilient and future-ready SBM Bank (India) Limited.

Sincerely,



Mr. Mahendra Vikramdass Punchoo
Chairman

MESSAGE FROM THE MD & CEO

Dear Stakeholders,

As SBM Bank India completes its seventh financial year, we find ourselves at a defining stage in our evolution.

What began as a mandate to stabilise and build a young institution has matured into a broader responsibility—to create a bank that is resilient, relevant and built for the long term.

Throughout this journey, our approach has remained anchored in a simple principle: sustainable value is created not merely by pursuing growth, but by deploying capital, talent and resources with discipline and purpose. In banking, longevity is built on sound judgement, prudent risk-taking and the ability to balance ambition with responsibility. These fundamentals have shaped our strategy and continue to guide our decisions.

Financial Performance

FY2026 was an important year for the Bank, marked by strong business momentum and continued improvement in the quality of our franchise.

Deposits grew by 21.2 per cent, while advances increased by 32.4 per cent year-on-year. Our liability franchise strengthened further, supported by a healthier deposit mix and an improving CASA ratio. At the same time, disciplined underwriting and risk management contributed to continued improvement in asset quality, reinforcing the soundness of our balance sheet.

Over the years, we have remained deliberate in our choice of businesses, customer segments and capabilities. By focusing on areas where we possess competitive strength and where risk-adjusted returns are attractive, we have been able to allocate capital more effectively and generate stronger outcomes.

A key milestone during the year was the delivery of a positive Pre-Provision Operating Profit (PPOP). More than a financial achievement, this reflects the increasing strength of our core banking franchise and the growing sustainability of our operating model. It demonstrates our ability to generate healthy operating earnings and provides a stronger foundation for future profitability.

We also achieved meaningful loss compression during the year, reflecting the cumulative impact of improved business performance, operating discipline and prudent balance sheet management. With a Capital Adequacy Ratio of 15.26 per cent, the Bank remains well-positioned to support future growth while maintaining the financial resilience necessary to navigate a dynamic operating environment.

Taken together, these outcomes provide us with a credible pathway towards achieving net profitability by the end of the next financial year.

Beyond Financial Metrics

While financial performance remains an important measure of success, enduring institutions are built on far more than numbers alone.

Our people continue to be the cornerstone of our progress. During the year, we adopted a calibrated approach to capability building, strengthening critical functions while fostering a culture of accountability, meritocracy and continuous learning. The commitment, adaptability and professionalism of our employees have been instrumental in translating strategy into execution.

Equally, strong governance remains at the heart of our organisation. As regulatory expectations continue to evolve, we remain steadfast in our commitment to maintaining the highest standards of compliance, risk management and corporate governance. These principles are not merely obligations; they are essential to preserving the trust placed in us by customers, regulators and stakeholders.

Technology as an Enabler

Technology continues to play a central role in our transformation journey. We have accelerated the adoption of digital capabilities and automation across key processes, enhancing customer experience, improving productivity and strengthening operational agility.

Our investments are focused not only on modernising infrastructure but also on creating a scalable and future-ready platform that enables sustainable growth. As customer expectations continue to evolve, technology will remain a critical enabler of innovation, efficiency and competitiveness.

Looking Ahead

While we take pride in the progress achieved, we remain mindful that institution building is a long-term endeavour.

The opportunities before us are significant, and we are entering the next phase of our journey with confidence and clarity of purpose. Our priorities remain clear: strengthening our retail franchise, deepening customer relationships, expanding digital capabilities and maintaining disciplined capital allocation to drive sustainable value creation.

As we look ahead, our objective is not simply to build a larger bank, but a stronger one—one that combines financial strength with operational excellence, innovation with prudence, and growth with resilience. The progress of the past seven years provides confidence that we are firmly on that path.

On behalf of the Board, I extend my sincere gratitude to our customers for their trust, our employees for their dedication, our regulators for their guidance, and all our stakeholders for their continued confidence and support.

Together, we will continue building a stronger, smarter and more resilient SBM Bank India.

Sincerely,

Ashish Vijayakar

Ashish Vijayakar
Managing Director & Chief Executive Officer
SBM Bank (India) Ltd.

BOARD OF DIRECTORS

Mr. Mahendra Vikramdass Punchoo
Independent Director & Part-time Chairman

Mr. Ashish Vijayakar
Managing Director & CEO

Mr. Amit Jagdhari
Whole-time Director & CFO

Mr. Raoul Gufflet
Non-Executive & Non-Independent

Mr. Umesh Jain
Independent Director

Mr. Abizer Diwanji
Independent Director

Ms. Pallavi Kanchan
Independent Director

Mr. Anantha Subrahmanya Dhananjaya
Independent Director

Mr. Sanjeev Lall
Independent Director

Mr. Mooneesing Janna Naikeny
Non-Independent & Non-Executive Director

MANAGEMENT TEAM

Mr. Ashish Vijayakar
Managing Director & CEO

Mr. Amit Jagdhari
Executive Director & CFO

Ms. Roopa Dave
Head - Corporate Banking

Mr. Mandar Pitale
Head - Financial Markets

Mr. Satya Prakash Sarangi
Chief Risk Officer

Mr. Sabyasachi Ganguly
Chief Compliance Officer

Ms. Smita Nair
Head - Internal Audit & Chief of Internal Vigilance

Ms. Sajitha Pillai
Head - Human Resources

Mr. Pravin Bhosle
Chief Information Officer

Mr. Zuzar Tinwalla
Chief Operations Officer

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMIC REVIEW

The global economy demonstrated resilience during FY2025–26, navigating an environment characterised by geopolitical uncertainties, evolving trade policies, technological disruption and shifting monetary conditions. While inflation moderated across several advanced economies, growth remained uneven as central banks cautiously balanced inflation control with supporting economic activity. Lower policy rates in some markets improved financial conditions, although global uncertainties arising from regional conflicts, supply chain realignments and trade negotiations continued to influence investor sentiment and capital flows.

Emerging economies continued to outperform many developed markets, supported by resilient domestic demand, improving manufacturing activity and increasing investments in digital infrastructure. Businesses worldwide accelerated investments in artificial intelligence, automation and digital transformation, reshaping productivity and customer engagement across industries. Sustainability and climate-related investments also remained key priorities, with financial institutions increasingly integrating environmental, social and governance (ESG) considerations into their strategic and risk management frameworks.

The global banking sector remained well-capitalised despite a challenging operating environment. Institutions continued to focus on strengthening balance sheets, enhancing operational resilience, accelerating digital adoption and reinforcing cybersecurity capabilities while navigating evolving regulatory expectations. As economic conditions gradually stabilise, the emphasis remains on sustainable growth, prudent capital allocation and delivering long-term value to stakeholders.

INDIAN ECONOMIC REVIEW

India continued to reinforce its position as one of the fastest-growing major economies during FY2025–26, supported by robust domestic consumption, sustained government capital expenditure, resilient manufacturing activity and a thriving services sector. Strong macroeconomic fundamentals, improving private investment and a stable financial system helped the economy navigate global uncertainties while maintaining healthy growth momentum. Government initiatives aimed at infrastructure development, manufacturing, digitalisation and ease of doing

business continued to stimulate economic activity and strengthen India's long-term competitiveness. Increased formalisation of the economy, expanding digital payments ecosystem and rising financial inclusion created significant opportunities across banking and financial services.

The banking sector remained resilient, supported by healthy capitalisation, improving asset quality and steady credit demand across retail, MSME and corporate segments. Continued growth in digital banking, UPI transactions and technology-led financial services transformed customer engagement and accelerated financial inclusion. At the same time, banks remained focused on strengthening governance, cybersecurity, compliance and risk management to address an increasingly dynamic regulatory and operating environment. India's favourable demographics, expanding middle-income population, strong entrepreneurial ecosystem and ongoing structural reforms continue to provide a solid foundation for sustainable long-term economic growth, positioning the country as an attractive destination for investment and innovation.

STRATEGIC INITIATIVES

Technology remained a key strategic enabler for SBM Bank India during FY2025-26. The Bank continued to advance its digital transformation agenda through investments across customer-facing channels, core banking platforms and enterprise infrastructure. During the year, enhancements were undertaken in the Core Banking System, Smart Banking platform,

Corporate Internet Banking, payment systems and card management infrastructure, while strategic programmes such as enhanced CRM, Enterprise Data Lake (EDL), new Revenue Management and Billing (RMB), Digital Communication Engine, Wealth Management platform, Treasury Solution and the NexGen Mobile Banking Application progressed significantly. These initiatives are aimed at creating a scalable and future-ready technology architecture, strengthening customer experience, improving data-driven decision-making and supporting sustainable business growth.

OPERATIONAL FOCUS

The Bank remained focused on improving operational efficiency, service delivery and governance through automation and greater integration across technology platforms. During the year, initiatives such as Digital Document Execution, RMB-driven pricing and billing automation, IVR and Contact Centre Migration, and implementation of the Digital Communication Engine helped streamline processes and reduce manual intervention. The deployment of enhanced CRM enhanced customer servicing through a unified customer view and workflow automation, while the Enterprise Data Lake strengthened data management, analytics and regulatory reporting capabilities. Continued investments in cybersecurity, fraud monitoring, data protection, cloud-based infrastructure and compliance technology further enhanced operational resilience and risk management.

OUTLOOK

The Bank will continue to leverage technology as a strategic differentiator by building on its modern digital foundation and expanding technology-led capabilities across business functions. Key focus areas include the rollout of the next-generation Mobile Banking Application, enhancement of Wealth Management and Treasury platforms, deeper use of data and analytics, and increased automation across customer and operational journeys. The Bank will also continue to strengthen cybersecurity, data governance and regulatory technology capabilities to support a secure and resilient operating environment. With a scalable technology architecture and a strong innovation agenda, the Bank is well positioned to deliver seamless, customer-centric banking services while supporting long-term growth.

DIRECTORS' REPORT

DIRECTORS' REPORT

To,
The Members,
SBM Bank (India) Limited

Dear Shareholders,

The Board of Directors of SBM Bank (India) Limited (herein referred to as **"your Company"** or **"the Bank"**) are pleased to present the Ninth (9th) Report on the business and operations of the Bank together with the Audited Financial Statements for the year ended March 31, 2026.

FINANCIAL PERFORMANCE

The highlights of the financial performance for the year under review, are presented below:

(₹ in '000)

Particulars	FY 2025-26	FY 2024-25
Deposits and Other Borrowings	**9,93,96,251**	**831,99,825**
Advances	**6,16,04,523**	**4,65,36,277**
Total Income	**1,01,65,104**	**91,65,715**
Profit / (Loss) before Depreciation and Taxation	**1,65,702**	**(569,796)**
Less: Depreciation	**3,20,530**	**302,209**
Profit/(Loss) before Taxes	**(1,54,828)**	**(872,005)**
Less: Tax Expense	**-**	**-**
Profit/(Loss) after tax	**(1,54,828)**	**(872,005)**
Add: Balance B/F from the previous year	**(38,09,746)**	**(31,53,624)**
Less: Appropriations		
Transfer to Statutory Reserves	-	-
Transfer to Capital Reserves	53,646	26,305
Transfer to Investment Fluctuation Reserve	-	(242,188)
Balance carried over to Balance Sheet	**(40,18,220)**	**(38,09,746)**

DIVIDEND

Considering accumulated losses, the Board does not recommend any dividend for FY 2025-26.

TRANSFERS TO RESERVES

The Board has appropriated the following amounts to Reserves & Surplus:

(₹ in 000's)

Transfer to Statutory Reserves	-
Transfer to Capital Reserve	53,646
Transfer to Investment Fluctuation Reserve	-

CAPITAL ADEQUACY RATIO (CAR)

As on March 31, 2026, the total CAR of the Bank, calculated in line with Basel III capital regulations, stood at 15.26% which is well above the regulatory minimum of 11.50% including the Capital Conservation Buffer of 2.5%. Of this, Tier I CAR was 11.67%.

NET WORTH

The Bank's net worth as on March 31, 2026, computed in accordance with the Reserve Bank of India regulations, is as follows:

Particulars	₹ in 000's
Capital	1,09,37,011
Retained Earnings	3,43,498
Statutory Reserve	5,04,055
Capital Reserve	1,98,604
Investment Fluctuation Reserve	95,559
Share Premium	3,78,573
Balance in Profit and Loss Account	(40,18,220)
Less: Deferred Tax Assets (Net)	-
Less: Intangible asset	(2,31,890)
Net worth as on March 31, 2026	**82,07,190**

STATE OF AFFAIRS

The information on the affairs of the Bank has been given in the Management Discussion and Analysis Report forming part of the Annual Report.

SHARE CAPITAL

During the year under review, on October 06, 2025, the Board of Directors of the Bank approved raising of funds amounting to ₹ 94,59,99,992 (Rupees Ninety-Four Crore Fifty-Nine Lakh Ninety-Nine Thousand Nine Hundred Ninety Two Only) by issue of 9,25,63,600 (Nine Crore Twenty Five Lakh Sixty Three Thousand Six Hundred) equity shares, having a face value of ₹ 10 (Rupees Ten Only) each at an issue price of ₹ 10.22/- per equity share (which includes premium of ₹ 0.22/- paise on each share, by way of rights issue to the existing equity shareholder i.e. SBM (Bank) Holdings Ltd. ("SBMBH"), Holding Company, in existing equity proportion. The said equity shares were allotted to SBMBH on October 18, 2025.

With such equity infusion by way of rights issue, the issued, subscribed and paid-up share capital of the Bank as on March 31, 2026, stood at ₹ 10,93,70,11,110 (Rupees One Thousand Ninety-Three Crore Seventy Lakh Eleven Thousand One Hundred and Ten only) comprising 109,37,01,111 (Hundred and Nine Crore Thirty-Seven Lakh One Thousand One Hundred and Eleven) equity shares of ₹ 10 (Rupees Ten only) each, fully paid.

TIER 2 NON-CONVERTIBLE DEBENTURES

The Bank had issued Unsecured Debt securities during FY 2022-23, which were outstanding as on March 31, 2026, as per the details incorporated in the following table:

ISIN No.	Issuance Date	Maturity Date	Face Value	Coupon Rate	Amt. issued. (₹ in crores)	Amt. Outstanding (₹ in crores)
INE07PX08019	April 05, 2022	April 05, 2032	1,00,00,000	9.75% per annum	125	125
INE07PX08027	January 24, 2023	January 24, 2033	1,00,00,000	9.88% per annum	99	99

The funds raised through issuance of Non-Convertible Debentures ("NCDs") were utilized as per the objects stated in the Information Memorandum of the respective NCDs.

DEBENTURE TRUSTEE DETAILS

Axis Trustee Services Limited acts as the Debenture Trustee for the aforesaid Debt Securities. The detail of Debenture Trustee is as under:

Address: The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar (W), Mumbai – 400 028
Email Id.: debenturetrustee@axistrustee.in

CREDIT RATING

During the year under review, CARE Limited ("CARE") vide its communication dated August 20, 2025, re-affirmed the ratings of the Basel-III Compliant Tier-II bond programme at [CARE]A with Stable outlook.

Further, ICRA Ratings Limited ("ICRA") vide its communication dated February 26, 2026, reaffirmed the long-term rating of the Basel-III Compliant Tier-II bond programme at [ICRA A] while revising the outlook from stable to negative.

WEBSITE OF THE BANK

The website of the Bank is https://www.sbm.bank.in/

CHANGE IN NATURE OF BUSINESS

During the year ended March 31, 2026, there has been no change in the nature of business of the Bank.

The Bank continued to engage in providing banking and financial services as a banking company governed by the Banking Regulation Act, 1949. The Bank currently offers a complete suite of corporate, consumer, wealth and retail banking services in addition to providing Treasury and Trade Financing Products and Services.

The branch network of the Bank comprises 22 branches located across India including footprints in Nariman Point and Andheri (East) in Mumbai, Vashi - Navi Mumbai, Galtare, Ten Naka, Abitghar, Khupari in Palghar, Tivri, Bangalore, Chennai, New Delhi, Pune, Chandigarh, Hyderabad, RC Puram, Ahmedabad, Kolkata, Ludhiana, Surat, Indore, Bhubaneswar, and Bhuj. The distribution channels of the Bank also include the use of Business Correspondents.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Bank is a wholly owned subsidiary of SBM (Bank) Holdings Ltd., as per the Companies Act, 2013 ("the Act"). During the year under review, the Bank has a nil reporting under change in subsidiary company / joint venture / associate companies.

DEPOSITS

Being a Banking Company, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Act, are not applicable to the Bank.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE BANK

There were no material changes and commitments affecting the financial position of the Bank, between the end of the fiscal year of the Bank to which the financial statements relate and up to the date of this report.

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

The Bank is constantly pursuing its goal of upgrading technology to deliver quality services to its customers in a cost-effective manner. Particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given as **Annexure A** to this Report.

ANNUAL RETURN

The Annual Return for FY 2025-26 is hosted on the website of the Bank i.e. at https://www.sbmbank.co.in/aboutus/investor-corner.php

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility ("CSR") containing details of CSR Policy, composition of CSR Committee, CSR projects undertaken and web-link thereto on the website of the Bank, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out under **Annexure B** to this Report.

STATUTORY AUDITORS

The Members of the Bank at their 7th Annual General Meeting ("AGM") held on September 20, 2024, appointed M/s. Gokhale & Sathe., Chartered Accountants, Mumbai (Firm Registration Number 103264W), as the Statutory Auditors of the Bank, to hold office from the conclusion of 7th AGM until the conclusion of the 10th AGM, to be held in FY 2027-28.

The Auditors have confirmed that they are not disqualified from continuing to act as Statutory Auditors of the Bank and that they comply with the eligibility criteria/ requirements specified under the Reserve Bank of India ("RBI") Circular for FY 2025-26.

STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report issued by M/s. Gokhale & Sathe, Chartered Accountants, does not contain any qualification, reservation or adverse remark on the financial statements of the Bank for the year ended March 31, 2026. The notes on financial statements referred to in the Statutory Auditors' Report are self-explanatory and do not call for any further comments. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Bank have not reported any instances of fraud committed in the Bank by its officers or employees.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Proper internal financial controls are in place, and the financial controls are adequate and are operating effectively. Further, the Statutory Auditors have, in compliance with the requirements of the Act, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, the details of which may be referred to in the independent auditor's report attached to the financial statements of FY 2025-26.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s Shah Patel and Associates, Practicing Company Secretaries, as Secretarial Auditor to undertake the Secretarial Audit of the Bank for FY 2025-26.

The Secretarial Audit Report issued by M/s. Shah Patel and Associates, Practicing Company Secretaries, does not contain any qualification, reservation or adverse remark or disclaimer for the financial year 2025-26. The Secretarial Audit Report issued by the Secretarial Auditor has been appended as **Annexure C** to this Report.

MAINTENANCE OF COST RECORDS & COST AUDIT

The Bank is engaged in the banking business and is not required to maintain cost records and comply with the requirements of cost audit as prescribed under the provisions of Section 148(1) of the Act.

BOARD OF DIRECTORS

Board Composition

The composition of the Board of Directors of the Bank is governed by the Act, the Banking Regulation Act, 1949 (“BR Act”) and is in conformity with the same. As of March 31, 2026, the Board of Directors comprised a combination of Ten Directors viz., Mr. Mahendra Vikramdass Punchoo, Independent Director and Part-time Chairman ("PTC"), Mr. Ashish Vijayakar, Managing Director and Chief Executive Officer (“MD & CEO”), Mr. Amit Jagdhari, Executive/ Whole-time Director and Chief Financial Officer (“ED & CFO”), Mr. Abizer Diwanji, Independent Director, Ms. Pallavi Kanchan, Independent Director, Mr. Anantha Subrahmanya Dhananjaya, Independent Director, Mr. Sanjeev Lall, Independent Director, Mr. Umesh Jain, Independent Director, Mr. Raoul Gufflet, Non-Independent & Non–Executive Director and Mr. Mooneesing Janna Naikeny, Non-Independent & Non–Executive Director. The size of the Board is commensurate with the size and business of the Bank. The Board mix provides a combination of professionalism, knowledge and experience required in the banking industry.

Change in composition of the Board during the year

Owing to the resignation of Mr. Abdul Sattar Adam Ali Mamode Hajee Abdoula from the position of PTC of the Bank, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), vide resolution passed by circulation on April 22, 2025, approved the candidature of Mr. Rohit Ramnawaz for the position of Independent Director and PTC of the Bank. Subsequently, the Bank made an application to RBI for the appointment of Mr. Rohit Ramnawaz as PTC of the Bank.

Meanwhile, the Board of Directors, based on the recommendations of the NRC, vide resolution passed by circulation on May 09, 2025, appointed Mr. Rohit Ramnawaz (DIN: 11098667) as an Additional (Non-Executive) Independent Director of the Bank for a period of four years, with effect from May 09, 2025, not liable to retire by rotation subject to the approval of the members. Further, RBI vide its letter dated July 14, 2025, which was formally communicated to SBM Bank (India) Limited (“Bank”) on July 16, 2025, approved the appointment of Mr. Rohit Ramnawaz to act as PTC of the Bank. However, in meantime, while the application pertaining to his appointment as PTC was under process with RBI, Mr. Rohit Ramnawaz was appointed as Director-General of the Mauritius Revenue Authority and due to the nature of the position, he was prohibited from engaging in any other remunerated function. Accordingly, he tendered his resignation, with effect from July 16, 2025, from the position of the Additional (Non-Executive) Independent Director of the Bank. Further, his resignation was placed and accepted by the Board at its meeting held on August 11, 2025. Your Board places on record its sincere appreciation for the contribution made by him during his tenure with the Bank and wishes him well in future endeavors.

Ms. Mariam Rajabally resigned from the office of Non-Independent and Non-Executive Director of the Bank with effect from September 29, 2025, citing pre-occupation and other personal commitments. Your Board places on record its sincere appreciation for the contribution made by her during her tenure with the Bank and wishes her well in future endeavors.

The Members at the 8th Annual General Meeting of the Bank held on September 30, 2025, approved the following:

- the appointment of Mr. Sanjeev Lall (DIN: 08740906) as an Independent Director of the Bank for a period of four years, with effect from March 17, 2025, not liable to retire by rotation; and
- Mr. Aakash Kalachand (DIN: 11161982) as a Non- Independent and Non-Executive Director of the Bank for a period of four years, with effect from June 25, 2025, liable to retire by rotation.

Mr. Kalachand resigned from the office of Non-Independent and Non-Executive Director of the Bank with effect from March 04, 2026, citing pre-occupation and other personal commitments. Your Board places on record its sincere appreciation for the contribution made by him during his tenure with the Bank and wishes him well in future endeavors.

The Board of Directors, based on the recommendation of the NRC and approval of the RBI vide its letter dated January 19, 2026, approved the appointment of Mr. Mahendra Vikramdass Punchoo (DIN: 11387030) as an Additional (Non-Executive) Independent Director and Part-time Chairman of the Bank for a period of three years with effect from January 19, 2026, not liable to be retire by rotation, subject to approval of Members of the Bank.

Mr. Mooneesing Janna Naikeny (DIN: 11581751) was appointed as an Additional (Non- Independent and Non-Executive) Director of the Bank for a period of four years, with effect from March 06, 2026, liable to retire by rotation, subject to approval of Members of the Bank.

The Members at the 15th Extra Ordinary General Meeting of the Bank held on June 05, 2026, approved the following:

- the appointment of Mr. Mahendra Vikramdass Punchoo (DIN: 11387030) as an Independent Director and Part-Time Chairman of the Bank; and
- the appointment of Mr. Mooneesing Janna Naikeny (DIN: 11581751) as a Non-Independent and Non-Executive Director of the Bank.

REMUNERATION POLICY AND CRITERIA FOR SELECTION OF CANDIDATES FOR APPOINTMENT OF DIRECTORS

Your Bank has in place a Policy for remuneration of Directors and Key Managerial Personnel along with a well-defined criteria for the selection of candidates for appointment on the said positions, duly approved by the Board of Directors. Such Policy is also available on the website of the Company at https://www.sbmbank.co.in/notice-board/policies.

DIRECTORS RETIRING BY ROTATION

In accordance with Section 152 of the Act read with the Articles of Association of the Bank, Mr. Amit Jagdhari is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Board recommends the same for the approval of the Members.

DECLARATION FROM INDEPENDENT DIRECTORS

The Bank has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6), read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of the Board, the Independent Directors appointed during the year under review are persons with integrity and possess the requisite experience, expertise and proficiency required under applicable laws and the policies of the Bank.

All the Independent Directors of the Bank have complied with the provisions of sub rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to registration with the Indian Institute of Corporate Affairs for the Independent Director's Database.

BOARD EVALUATION

Evaluation of the performance of all Directors is undertaken annually. The Bank has implemented a Policy setting out procedure and system of evaluating performance of the Board, its Committees, Chairperson and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. At a separate meeting of the Independent Directors held on March 23, 2026, the performance of non-independent directors, performance of the board as a whole, and performance of the Chairperson were evaluated. The Board of Directors has expressed its satisfaction with the evaluation process.

KEY MANAGERIAL PERSONNEL

As on March 31, 2026, the following officials of the Bank were the Key Managerial Personnel ("KMP"), pursuant to the provisions of Section 203 of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation
Mr. Ashish Vijayakar	MD & CEO
Mr. Amit Jagdhari	ED & CFO
Mr. Mehul Somaiya	Company Secretary
Mr. Mandar Pitale	Head – Treasury and FIG

1. Mr. Mehul Somaiya ceased to be the Company Secretary and Compliance Officer (KMP) of the Bank with effect from July 02, 2026.

2. Ms. Mugdha Merchant was appointed as the Company Secretary and Compliance Officer (KMP) of the Bank with effect from July 03, 2026.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, Eight Board Meetings were convened and held, and not more than one hundred and twenty days had elapsed between two consecutive Board meetings. Complete details of the Meetings of the Board and Committees are attached as **Annexure D**.

WHISTLE BLOWER POLICY / VIGILANCE MECHANISM

As part of Bank's commitment to implement and maintain adequate corporate governance standards and transparency in the Bank, we have implemented Whistle Blower, Vigilance policies and frameworks with the objective of creating a vigil mechanism for directors and employees to report genuine concerns appropriately.

The framework is aligned with RBI's Protected Disclosure Scheme and provisions of Section 177 of the Act read with rules frame thereunder.

AUDIT COMMITTEE

As on March 31, 2026, the Audit Committee comprised of the following Directors:

Name	Category
Mr. Abizer Diwanji – Chairman	Non-Executive, Independent Director
Mr. Umesh Jain – Member	Non-Executive, Independent Director
Mr. Anantha Subrahmanya Dhananjaya – Member	Non-Executive, Independent Director
Ms. Pallavi Kanchan - Member	Non-Executive, Independent Director

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Act, the provisions of Section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a banking company in the ordinary course of its business.

RELATED PARTY TRANSACTIONS

During the year under review, all contracts/arrangements/transactions entered into by the Bank with related parties were in ordinary course of business and on an arm's length basis. Audit Committee of the Bank grants omnibus approval to the related party(ies) in accordance with the applicable provisions of the Act. There were no material related party transactions by the Bank during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

All related party transactions as required under Accounting Standard AS-18 are reported in note no. 21 of Notes to Accounts of financial statements of the Bank.

RISK MANAGEMENT FRAMEWORK

The Bank has put in place a robust Risk Management framework to identify, measure, manage, and mitigate risks emanating from business and opportunities. This framework seeks to create transparency, minimise adverse impact on the business strategy, reporting & monitoring, Governance and enhance the Bank's competitive advantage. This risk framework thus helps in managing, credit, operational, market, cyber, IT and emerging risks. It also provides mechanisms to assess and quantify the potential impact of these risks at an enterprise wide level. While the Board is responsible for framing, implementing and monitoring the risk management framework, it has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Bank to the Risk Management Committee of the Board and various executive level committees.

The Bank is committed to a very strong and robust risk culture. The Risk culture of the Bank may be defined as the norms, attitudes and behaviours related to risk awareness, risk taking and risk management. This is reflected in the manner the Bank identifies, assesses, and manages risk matters.

The Bank has set for itself an organization-wide risk culture in which the staff identifies, manages, and escalates risk and control matters, and owns their responsibilities around risk management. All employees must discharge their responsibilities, as a part of the risk management framework defined by the Bank.

Within the overarching risk management principles, which the bank follows, risk appetite captures the amount of risk that the Bank is prepared to take, considering the risk capacity to grow in a sustained manner and achieve the business objectives. Risk Appetite Statement (RAS) serves as a guiding principle for business strategy, capital planning, product approval and performance management, and is reviewed periodically in line with internal and external developments and strategic initiatives. Our risk capacity is calibrated by the regulatory stipulations and our obligations to the stakeholders and depositors.

Risk exposures and mitigation actions are monitored on an ongoing basis through structured MIS and dashboards and periodic reporting to senior management and the Board. The effectiveness of the risk management framework is independently assessed by the internal audit function and reviewed by the Audit Committee.

Further, information on the risk management process of the Bank is contained in the Management Discussion & Analysis Report which forms part of the Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The management's discussion and analysis report forms part of the annual report of the Bank.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Bank endeavors to comply with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

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

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 ("POSH Act"), your Bank has commitment to provide healthy and respectful work environment for the employee free from all forms of workplace sexual harassment. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

The following is a summary of Sexual Harassment complaint(s) received and disposed off during the FY 2025-26, pursuant to the POSH Act and Rules framed thereunder:

a) Number of complaint(s) of Sexual Harassment received during the year – Nil

b) Number of complaint(s) disposed off during the year – Nil

c) Number of cases pending as at March 31, 2026 – Nil

COMPLIANCE ON MATERNITY BENEFIT ACT, 1961

The Bank has complied with the applicable provisions of Maternity Benefit Act, 1961 for female employees of the Bank with respect to leaves and maternity benefits thereunder.

NUMBER OF EMPLOYEES AS ON THE CLOSURE OF FINANCIAL YEAR

As at March 31, 2026, the total employee strength of the Bank stood at 772 comprising 512 male employees and 260 female employees.

CORPORATE GOVERNANCE (SCHEDULE V DISCLOSURE):

The following disclosures are required to be given as per Schedule V of the Act:

Sr. No	Particulars	Mr. Ashish Vijayakar (Managing Director & CEO)	Mr. Amit Jagdhari (Executive/ Whole-Time Director & CFO)
1.	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors*	As per the Explanatory Statement attached to EGM Notice dated May 29, 2026	As per the Explanatory Statement attached to EGM Notice dated May 29, 2026
2.	Details of fixed components and performance linked incentives along with the performance criteria*	As per the Explanatory Statement attached to EGM Notice dated May 29, 2026	As per the Explanatory Statement attached to EGM Notice dated May 29, 2026
3.	Service Contract	Three Years from the closure of Business hours of February 16, 2024	Three Years from the December 18, 2024
4.	Notice Period	Nil	Nil
5.	Severance fee	Nil	Nil
6.	Stock Options	Nil	Nil

**Other Independent Directors and Non-Executive Directors (Except Mr. Raoul Gufflet and Mr. Mooneesing Janna Naikeny) are entitled for the payment of Sitting fees only for attending Board/ Committee meetings.*

OTHER DISCLOSURES

1. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Bank;
2. Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Bank.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, your Directors, based on the representations received from the Operating Management, confirm that;

a) Your Bank has, in the preparation of the annual accounts for the financial year ended March 31, 2026, followed the applicable Accounting Standards along with proper explanation relating to material departures;

b) Your Bank has laid down proper Internal Financial Controls ("IFC") and IFC operated effectively throughout the financial year.

c) 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 at March 31, 2026, and of the loss of the Bank for that period;

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

e) The annual accounts have been prepared on a going concern basis;

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

Further, statutory auditors have, in compliance with the requirements of the Act, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, details of which may be referred to in the independent auditor's report attached to the financial statements of FY 2025-26.

ACKNOWLEDGMENT

Your Directors would like to place on record their sincere appreciation for the assistance and co-operation received from the Reserve Bank of India, Financial Institutions, Banks, National Stock Exchange of India Limited, Debenture Trustee, other Regulators, Government authorities, customers, vendors and members during the year under review. The Bank would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage during the year. The Directors also wish to place on record their deep sense of appreciation for the committed services by the Bank's executives, staff and workers.

For and on behalf of the Board of Directors of
SBM Bank (India) Limited

Ashish Vijayakar
Managing Director & CEO
(DIN: 10498810)

Amit Jagdhari
Executive Director & CFO
(DIN: 10738364)

Place: Mumbai
Date: September 02, 2026

Annexure A
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

As the Company is a Banking Company, the particulars relating to conservation of energy as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not directly applicable to the nature of its operations.

However, the Bank continues to adopt technology-driven initiatives aimed at optimising energy consumption and reducing its environmental footprint. These initiatives include increased use of digital banking channels, paperless and automated workflows, virtualization, cloud-based infrastructure, centralised IT operations and remote access solutions. Collectively, these measures support efficient utilisation of resources while aligning with the Bank's sustainability and operational efficiency objectives.

B. Technology Absorption:

SBM Bank (India) Limited ("Bank") continues to focus on digitisation, automation and adoption of modern technology platforms with the objective of enhancing operational efficiency, strengthening governance and controls, improving customer experience, and delivering secure, scalable and compliant banking services.

The Bank's technology strategy emphasises standardisation, regulatory compliance, cybersecurity, system resilience and scalability to support future business growth. Key areas of technology absorption are summarised below:

- **Core Banking System:** The Bank operates a robust and scalable Core Banking System (CBS) that supports real-time processing of customer transactions including deposits, withdrawals, transfers and other banking services. The Core Banking System processes approximately 12 million financial transactions per month, enabling efficient and reliable day-to-day banking operations.

  During the year, various customisations and enhancements were implemented in the CBS, including changes for Automation of charge computation, incorporation of regulatory and compliance requirements, and operational improvements. The Bank continually strives to perform upgrades and updates to its Core Banking System to support performance optimisation, system stability and process improvements, while keeping the platform aligned with evolving business and regulatory needs.

- **Corporate Internet Banking:** The Bank provides a secure and robust Corporate Internet Banking platform that enables corporate customers to conveniently carry out online business transactions. The platform supports key functionalities such as balance enquiry, fund transfers within the Bank and to other banks, fixed and recurring deposits, tax payments and bulk payment uploads. During the year, the Bank implemented a single, standardised file format for bulk payments across NEFT, RTGS and IMPS, simplifying payment processing and enhancing straight-through processing for corporate customers. Designed with strong security controls and ease of use, the platform facilitates efficient transaction execution and seamless access to banking services across digital channels.

- **Smart Banking (Bank's Digital Platform):** The Bank's Smart Banking platform represents its organic digital journey, enabling customers to directly onboard and access a range of banking services through a digital interface hosted on the Bank's website. The Bank is also progressing with the launch of its Smart Banking Mobile Application, compatible with Android and iOS platforms, to provide secure, anywhere-anytime banking.

  The platform has been further strengthened through enhancements and integrations aimed at improving regulatory compliance and customer convenience. These include integration with MNRL mobile number scrubbing as per regulatory requirement, enablement of re-KYC journeys through the SMT platform, incorporation of CIBIL/CRIF credit bureau checks for credit card onboarding, and rollout of digital bill payment services. Additionally, functionality has been introduced for automatic enhancement of Fixed Deposit limits linked to UPI Virtual Payment Addresses (VPA), enhancing product flexibility and customer experience through the Smart Banking ecosystem.

- **Online and Mobile Banking:** The Bank offers secure online and mobile banking platforms enabling customers to access accounts, execute electronic fund transfers and manage banking transactions remotely.

Building on the digital initiatives outlined in the previous year, the Bank further enhanced its online and mobile banking platforms during the year to improve customer convenience, transaction safety and self-service capabilities. New features introduced include duplicate transaction alerts, digital cheque book issuance requests, funds transfer from Savings Accounts to Overdraft accounts, and self-service updation of registered email IDs and mobile numbers, reflecting the Bank's ongoing commitment to continuous improvement of digital customer experience.

- **Payment Systems:** The Bank leverages established electronic payment systems to facilitate secure and seamless domestic and cross-border transactions for its customers. These include Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), Immediate Payment Service (IMPS), Unified Payments Interface (UPI), Aadhaar Enabled Payment System (AePS) and SWIFT.

  During the year, the Bank undertook multiple enhancements across its payment systems to improve automation, integrations, reconciliation processes and control mechanisms in line with evolving regulatory and network requirements. As part of SWIFT industry-wide changes, the Bank also implemented the ISO 20022 migration for payment messages, enabling structured data exchange, improved interoperability and enhanced compliance for incoming and outgoing cross-border transactions. These initiatives support the Bank's focus on strengthening its digital payment infrastructure and ensuring efficiency, reliability and security in electronic transactions.

- **Card Management System (CMS):** The Bank offers and manages Debit and Credit Cards across major payment networks including RuPay, VISA and Mastercard through a secure and scalable Card Management System. The system supports end-to-end card lifecycle management, including issuance, transaction processing, rewards management and control mechanisms.

  During the year, the Bank undertook several enhancements to strengthen its card platforms, including implementation of a TCS computation engine for centralised and automated calculation of Tax Collected at Source (TCS) on LRS transactions, improving accuracy, compliance and operational efficiency. The Bank also enabled UPI on Credit Card (UPI on CC) functionality, providing customers with additional flexibility to use credit cards on UPI platforms in line with industry developments. Further enhancements included reinforcement of security controls, system integrations and deployment of a card-based reward solution to improve customer engagement. These initiatives support the Bank's ongoing focus on offering reliable, secure and value-added card services while maintaining strong governance and compliance standards.

  The Bank continues to advance its digital transformation journey across Retail, Corporate and Treasury businesses. During the year, a comprehensive review of the Bank's digital infrastructure and architecture was undertaken, forming the basis for several new initiatives and targeted enhancements already set in motion. Aligned with a strategic vision to deliver a market-leading digital customer experience and drive greater operational efficiency, the Bank is focused on building scalable, modern and future-ready digital capabilities to support its long-term growth objectives.

- **Customer Relationship Management (CRM) –** Phase I implementation focused on the migration to an enhanced CRM with the objective of strengthening core Customer Service operations. This phase involved migration and stabilisation of critical service capabilities, including manual case creation, email-to-case functionality and domain-based source mapping.

  A key highlight of Phase I was the integration with Finacle APIs to enable a comprehensive 360-degree customer view for call centre agents. This single-screen view provides access to essential customer information such as account balances, recent transactions, lien and freeze details, account status and KYC due dates, thereby significantly improving response time and service quality.

  Additionally, IVR integration was implemented for Cards and other Assets & Liabilities products, enabling contextual customer identification and seamless case creation directly from IVR journeys. This streamlined inbound call handling, reduced manual intervention and enhanced overall customer experience.

  The platform also supports single-click dispatch of account statements, ACSI-based SLA tracking with automated escalations, and multi-department tagging for chargeback cases. Operational productivity was further enhanced through features such as bulk service request closures for managing high-volume workloads.

  To address urgent operational and cyber-security requirements, controlled access was enabled for Call Centre and FRM teams to perform actions such as lien marking, account freeze and stop-cheque requests, facilitating faster response to cybercrime incidents and genuine urgent cases. Role-based access controls (RBAC), management dashboards and MIS reporting were also implemented to strengthen governance, visibility and operational control. Overall, Phase I established a strong foundation for improved service efficiency, faster turnaround times and enhanced customer experience on the CRM platform.

CRM – Phase II is focused on expanding platform adoption, strengthening automation and extending capabilities beyond customer service into partner servicing, sales, Corporate Banking and Retail Banking functions.

Key initiatives under implementation include providing Fintech Partner access, restricted to visibility of their respective customer portfolios, along with development of secure APIs to enable seamless integration between partner CRMs and Bank CRM. Enhancements are also underway to integrate credit and debit card details, automate card and cheque book dispatch status updates, and introduce bulk reroute and mass update functionalities to further reduce manual intervention and improve turnaround times.

As part of Phase II, Leads and Sales modules are being introduced within the organisation to enable structured lead management, RM-wise dashboards and periodic performance reporting. These capabilities provide enhanced visibility into sales performance, product-wise conversions and overall pipeline health. Mobile applications for Android and iOS platforms are also under development to support real-time access and improve productivity for sales teams and relationship managers.

In addition, Phase II includes planned enhancements to support Corporate Banking and other Retail Banking teams, with features aimed at improving customer engagement, servicing workflows and sales enablement across these segments.

Overall, Phase II is aimed at strengthening partner integration, enhancing automation across customer service operations, and establishing a centralised, scalable and enterprise-wide CRM and sales management framework on our enhanced CRM platform.

- **Pricing Engine - Revenue Management and Billing (RMB):** The Bank has implemented a new Pricing Engine System to streamline billing and revenue recognition processes and strengthen compliance and financial controls. The solution is integrated with the Core Banking System (Finacle) through real-time APIs, enabling automated processing of customer and account data, daily balance updates, charge computation and recovery. Key capabilities include automated Average Monthly Balance (AMB) computation, dynamic pricing and exclusion rules, computation and recovery of charges, lien marking and removal, and customer alerts for balance breaches. The implementation has improved accuracy, operational efficiency, control and customer communication while reducing manual intervention.

- **IVR and Contact Centre Migration:** The Bank has implemented an enhanced IVR and Contact Centre solution to improve customer service delivery, operational efficiency and regulatory compliance. The solution enables customers to handle routine enquiries on a 24×7 basis, reducing dependency on live agents and optimising operational costs. It provides real-time visibility of contact centre workforce performance across channels and supports secure customer authentication for onboarding and transactions. Comprehensive interaction logging, call recording and regulated retention mechanisms have been implemented, ensuring audit readiness and compliance with regulatory requirements.

- **Wealth Management Platform – Mutual Funds:** The Bank is implementing a new Mutual Fund investment module to address gaps in the current manual and fragmented process, which results in a 3–5 day onboarding cycle and delays in transaction execution. The new platform will provide a seamless, client-friendly interface with real-time investment processing, significantly improving turnaround time and enabling both assisted and self-service digital journeys across branches and channels.

- **Wealth Management Platform – Insurance:** To improve the existing insurance onboarding and investment facilitation process— which currently takes 3–5 working days and is not fully integrated—the Bank is developing a digital insurance module within the Wealth Management platform. This initiative aims to streamline onboarding, reduce processing delays and provide customers with an improved, unified and digitally enabled experience for insurance-related transactions.

- **NexGen Mobile Banking Application:** The Bank is implementing the NexGen Mobile Banking Application to deliver an enhanced, modern and digital banking experience. The initiative includes migration of all existing mobile banking features, services and integrations to a new platform with improved security, performance and contemporary UI/UX. The new application is designed to enhance customer engagement, scalability and future readiness while supporting evolving digital banking needs.

In addition to the above, the Bank is progressing other digital initiatives across core banking, customer servicing, risk, compliance and infrastructure platforms, focused on automation, system integration, security enhancement and regulatory compliance. These initiatives collectively support improved operational efficiency and consistent digital service delivery.

- **Digital Document Execution:** A digital document execution solution was implemented to enable e-signing and e-stamping of documents, reducing physical paperwork, improving turnaround times and enhancing customer convenience.

- **Digital Communication Engine:** The Bank has implemented an in-house Communication Engine to automate customer email communications across multiple business functions. The solution enables scheduled and ad-hoc communications, reducing manual intervention and improving turnaround time. It supports various customer communication use cases, including onboarding and service-related emails across Operations, Business and Marketing. The platform has strengthened data protection and compliance by eliminating manual handling of customer data for communications. Designed to be scalable and configurable, the solution enhances operational efficiency and supports continuous digital innovation.

- **Treasury Solution:** The Bank has initiated implementation of a consolidated Treasury solution to centralise Treasury operations, improve operational efficiency and strengthen risk management. The initiative is expected to enhance automation, reporting accuracy, system integration and governance across Treasury activities.

- **Enterprise Data Lake (EDL) and Regulatory Reporting Enablement:** The Bank has implemented an Enterprise Data Lake (EDL) integrated with last-mile regulatory reporting to serve as a centralised repository for structured, semi-structured and unstructured data. The EDL supports data analytics, regulatory reporting and data transformation requirements across the enterprise. To enhance flexibility and efficiency, the architecture incorporates data virtualization and federation, enabling seamless access to distributed data sources without duplication while optimising integration and query performance. The Bank has also adopted a cloud-based data architecture, supporting a structured migration from legacy systems through data cleansing, transformation and hybrid migration approaches with minimal disruption. Robust data security and compliance controls, including end-to-end encryption, role-based access controls, multi-factor authentication and audit logging, have been implemented in adherence to Regulatory guidelines.

- **Security and Fraud Prevention:** The Bank continues to strengthen its information security posture through a layered defence-in-depth approach to safeguard customer information, prevent fraud and mitigate cyber threats. The security framework includes deployment of perimeter and network security controls such as firewalls, DDoS protection, intrusion detection and prevention systems, strong encryption standards and multi-factor authentication mechanisms to ensure confidentiality, integrity and availability of critical information assets.

  Bank further enhanced its security governance by initiating the implementation of a Data Classification and Data Protection tool, enabling systematic identification, classification and protection of sensitive information. This initiative strengthens data handling controls, improves visibility of data risk and ensures alignment with regulatory and data protection requirements. Continuous real-time monitoring of infrastructure and applications is carried out using advanced security monitoring tools to detect, analyse and respond to anomalous activities in a timely manner.

- **Robust IT Infrastructure:** The Bank continues to strengthen its IT infrastructure with a focus on security, resilience, scalability and regulatory alignment. During the year, the Bank has implemented an Enterprise Data Lake (EDL) as a centralised and secure data repository, enabling data consolidation, analytics and integration with downstream systems, including support for regulatory reporting. As part of its regulatory reporting initiatives, the Bank is also implementing AWS Redshift to enable automated, scalable and performance-efficient last-mile regulatory reporting.

  In addition, infrastructure initiatives were undertaken to enhance security and standardisation, including migration of public-facing digital assets and official email communication to the bank.in domain hosted by IDRBT, and initiation of endpoint migration from Windows 10 to Windows 11 in line with end-of-support timelines Collectively, these initiatives reinforce the Bank's focus on maintaining a secure, resilient and future-ready technology environment while supporting efficient operations and regulatory compliance.

- **Compliance and Regulatory Technology:** The Bank operates in a highly regulated environment and leverages technology to strengthen regulatory compliance, risk governance and reporting standardisation.

There are multiple technology solutions implemented to strengthen regulatory compliance, risk governance and reporting standardisation. These include an API-based AML and transaction monitoring system, Enterprise Fraud Risk Management (EFRM), and integration of FIU-IND and SWIFT-based monitoring rules to enhance detection and prevention of financial crime. The Bank also utilises platforms such as Automated Data Flow (ADF), NPA monitoring tools, Risk Assessment Models, and a centralised service desk solution (Suvidha) to improve control, audit readiness, operational efficiency and regulatory adherence.

These solutions enable automation, improve accuracy and timeliness of reporting, strengthen controls, reduce manual intervention and enhance data security. Collectively, these initiatives support effective governance, adherence to regulatory requirements and efficient management of compliance and risk across the Bank.

The Bank remains committed to leveraging technology as a strategic enabler to deliver secure, efficient and customer-centric banking services. It will continue to adopt emerging technologies and innovative IT solutions to enhance competitiveness, operational resilience and capability in a continuously evolving banking environment.

C. Foreign Exchange Earnings and Outgo:

During the year, the total foreign exchange earned by the Bank was ₹ 2,46,811 thousand and the Foreign Exchange outgo was ₹ 10,15,992 thousand. (This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.)

For and on behalf of the Board of Directors of
SBM Bank (India) Limited

Ashish Vijayakar
Managing Director & CEO
(DIN: 10498810)

Amit Jagdhari
Executive Director & CFO
(DIN: 10738364)

Place: Mumbai
Date: September 02, 2026

ANNEXURE B
Annual Report on Corporate Social Responsibility 2025-26

(as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on the CSR policy of the Company:

The primary purpose behind the Bank's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically, and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood and dignified living in these communities. To this effect the Bank's CSR objectives are as follows: (a) Promotion of healthcare and sanitation (b) Setting up Old Age Homes, Day Care Centres and such other facilities for Senior Citizens (c) Promotion of Education and Skills Development (d) Making available Safe Drinking Water (e) Promotion of Livelihood Enhancement Projects (f) Promotion of Agroforestry and Natural Resources' Conservation.

2. Turnover and Net worth of the Bank for FY 2025-26:

Particulars	Amount (In ₹.)
Turnover	10,16,51,04,654.00
Net worth	8,20,71,89,814.30

3. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Mariam Rajabally*	Chairperson (Former Non-Executive Director)	1	1
2.	Ms. Pallavi Kanchan	Chairperson#	1	1
3.	Mr. Ashish Vijayakar	Member (Managing Director & CEO)	1	1
4.	Mr. Amit Jagdhari	Member (CFO)	1	1
5.	Mr. A. Dhananjaya	Member	1	1

**Ceased to be member of the Committee with effect from September 29, 2025.*

 # Ms. Pallavi Kanchan was designated as Chairperson of the Committee by the Board at its Meeting held on March 31, 2026.

4. 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:

a. Composition of the CSR committee: **https://www.sbmbank.co.in/aboutus/about-sbm-csr.php**
b. CSR policy: **https://www.sbmbank.co.in/aboutus/about-sbm-csr.php**
c. CSR projects: **https://www.sbmbank.co.in/aboutus/about-sbm-csr.php**

5. Executive Summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

6. (a) **Average Net Profit of the Company as per sub-section (5) of section 135:** ₹(22,84,82,923.53)

(b) **Two percent of average net profit of the Company as per sub-section (5) of section 135:** ₹(45,69,658.47)

(c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Nil

(d) **Amount required to be set-off for the financial year, if any:** Nil

(e) **Total CSR obligation for the financial year [(b) +(c) - (d)]:** Nil as 6. (a) was Negative

7. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Nil as 6. (a) was Negative

(b) **Amount spent in Administrative Overheads:** Not Applicable.

(c) **Amount spent on Impact Assessment, if applicable:** Not applicable.

(d) **Total amount spent for the Financial Year [(a) + (b) + (c)]:** Nil

(e) **CSR amount spent or unspent for the Financial Year:** As mentioned below

Total Amount Spent for the Financial Year 2025-26 (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per subsection (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
Nil	Nil	N.A.	N.A.	Nil	N.A.

(f) **Excess amount for set-off, if any:** None

Sr.No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	(45,69,658.47)
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Not Applicable
(v)	Amount available for set off in succeeding Financial Years [(iii) - (iv)]	Not Applicable

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

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (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 subsection (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 2022-23	Nil	N.A.	27,00,000	7,32,000	July 27, 2023	Nil	N.A.

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

For and on behalf of the Board of Directors of
SBM Bank (India) Limited

Pallavi Kanchan
Chairperson, CSR Committee
Independent Director
(DIN: 07545615)

Ashish Vijayakar
Managing Director & CEO
(DIN: 10498810)

Place: Mumbai
Date: September 02, 2026

ANNEXURE C

SHAH PATEL & ASSOCIATES

PRACTISING COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SBM Bank (India) Limited,
101, Raheja Centre, 1st Floor
Free Press Journal Marg,
Nariman Point,
Mumbai - 400 021

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBM BANK (INDIA) LIMITED** (hereinafter called 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 the 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 audit period covering the financial year ended on March 31, 2026, complied to the extent applicable 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 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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 to the extent applicable during the Audit Period;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable during the review period)

(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; (Not Applicable during the review period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable during the review period)

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent applicable during the Audit Period;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable during the review period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable during the review period)

(h) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 to the extent applicable during the Audit Period; and

(i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018; (Not Applicable during the review period).

(vi) The management has identified and confirmed compliance with certain laws as specifically applicable to the Bank as per **Annexure - B,** which forms part of this report.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings

(ii) The Listing Agreements entered by the Bank with National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (SEBI Listing Regulations').

During the period under review, the Bank has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that the Board of Directors of the Bank is duly constituted with proper balance of Executive Director and Non-Executive Directors including Independent Directors. The changes, if any, 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.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and for meetings convened at a shorter notice, necessary approvals were obtained as per applicable provisions. 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.

As per the minutes of the Board duly recorded and signed by Chairman, all decisions of the Board and Committee meetings were carried out with requisite majority and thus no dissenting views have been recorded.

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.

This report is to be read with our letter of even date which is annexed as Annexure A & Annexure B and forms an integral part of this report

For M/s. SHAH PATEL & ASSOCIATES
Practicing Company Secretaries
Swapneel Vinod Patel
Partner
Membership No.: A41106
COP.No.: 15628
Peer Review Certificate no. 7450/2025
FRN: P2015MH046300
UDIN: A041106H000720532

Place: Mumbai
Date: July 01, 2026

ANNEXURE A

To,
The Members,
SBM Bank (India) Limited,
101, Raheja Centre, 1st Floor
Free Press Journal Marg,
Nariman Point,
Mumbai - 400 021

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test and sampling basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 M/s. SHAH PATEL & ASSOCIATES
Practicing Company Secretaries
Swapneel Vinod Patel
Partner
Membership No.: A41106
COP.No.: 15628
Peer Review Certificate no. 7450/2025
FRN: P2015MH046300
UDIN: A041106H000720532

Place: Mumbai
Date: July 01, 2026

ANNEXURE B

The management has identified and confirmed compliances with the following acts, rules and regulations as specifically applicable to the bank during the audit period 2025-26:

A. Acts

Sr. No.	Legislation	Remarks
Central Acts		
Banking and Financial Sectors Laws		
1.	Reserve Bank of India Act, 1935	This Act principally governs the constitution and functions of the RBI; however, banks are subject to its framework as the RBI exercises regulatory, supervisory and policy-making powers over banks pursuant to the said Act.
2.	Banking Regulation Act, 1949	Primary legislation governing banks in India, providing the framework for licensing, regulation and supervision by the RBI, and covering capital requirements, governance, banking operations, lending norms, inspections and restructuring/mergers.
3.	Payment and Settlement Systems Act, 2007	It applies to banks in their capacity as participants or operators of payment systems.
4.	Deposit Insurance and Credit Guarantee Corporation Act, 1961	Mandates banks to insure deposits up to Rs. 5 lakhs via Deposit Insurance and Credit Guarantee Corporation (DICGC), covering principal and interest across deposit types as protection against insolvency.
5.	Public Dept Act, 1944	Banks are covered under this Act when they hold or deal in government securities (G-Secs) or act as agents/intermediaries in relation to public debt.
6.	Government Savings Promotion Act, 1873	Applies to banks when they are authorised by the Central Government to act as agents for managing, operating, or receiving deposits under small savings scheme.
Lending, Recovery and Insolvency Laws		
7.	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002	Enables banks to recover dues without court intervention by enforcing security interests and auctioning secured assets in NPAs.
8.	Recovery of Debts and Bankruptcy Act, 1993	Applies for recovery of dues less than INR 20 lakhs via DRT, allowing banks to bypass civil courts for faster NPA resolution of nonperforming assets (NPAs) through tribunals.
9.	Insolvency and Bankruptcy Code, 2016	Banks are classified as financial creditors under the Insolvency and Bankruptcy Code, 2016 and are entitled to initiate and participate in insolvency proceedings against corporate debtors. While banks themselves are categorised as financial service providers and are excluded from the definition of "corporate debtor", any insolvency or resolution process in respect of banks may only be initiated by the appropriate regulator, i.e., the RBI, in accordance with the applicable framework.
10.	Transfer of Property Act, 1882	Applies in loan against property transactions, defining rights and liabilities of banks as mortgagees and borrowers as mortgagors.
11.	The Indian Easements Act, 1882	Applicable in leave and license agreements entered into by banks.
Anti-money Laundering, Economic Offences and Compliance		
12.	Prevention of Money Laundering Act, 2002	Applies to banks as reporting entities under KYC, requiring monitoring, reporting suspicious transactions, and FIU compliance.

13.	Fugitive Economic Offenders Act, 2018	It applies to banks primarily, acting as a legal mechanism to recover losses from high-value scams where borrowers have fled the country. The Act applies to any scheduled economic offense committed by an individual against a financial institution.
14.	Prevention of Corruption Act, 1988	It applies to bank employees because they are considered "public servants" under the Act. A landmark 2016 Supreme Court of India ruling (CBI v. Ramesh Gelli, (2016) 3 SCC 788) established that officials of private banks performing public duties are subject to this law.
Foreign Exchange and Trade Law		
15.	Foreign Exchange Management Act, 1999	Applies by designating banks as Authorised Dealers, facilitating forex transactions and ensuring FEMA compliance.
16.	Foreign Contribution Regulation Act, 2010	Applies to banks as custodians of foreign funds, requiring monitoring and reporting of foreign contributions and compliance checks.
17.	Foreign Trade (Development and Regulation) Act, 1992	Applies through AD banks, ensuring compliance with foreign trade policy in import/export transactions.
Credit, Information & Financial Services Regulation		
18.	Credit Information Companies (Regulation) Act, 2005	Banks are treated as "credit institutions" and are required to become members of Credit Information Companies (CICs) and share borrower credit data (loans, defaults, repayment history). They must furnish accurate and timely credit information and use such information for credit appraisal, while maintaining confidentiality and data protection standards.
19.	Factoring Regulation Act, 2011	Applicable to banks undertaking factoring activities; while banks are exempt from registration as factors, they are required to comply with transaction registration requirements with the Central Registry (CERSAI) and other applicable provisions.
Commercial & Contractual Laws		
20.	Indian Contract Act, 1872	Applicable to banks in respect of all contractual relationships entered into in the ordinary course of business, including loan agreements, account opening documentation, deposits, guarantees and other financial arrangements, governing their validity, enforceability and performance.
21.	Sale of Goods Act, 1930	Applies when banks sell movable property, especially secured assets, despite general restrictions on trading goods.
22.	Negotiable Instrument Act, 1881	Applies to cheque transactions, criminalising dishonour under Section 138 and ensuring transactional integrity.
23.	Specific Relief Act, 1963	Enables courts to enforce specific performance of bank obligations in contractual disputes beyond monetary damages.
24.	Limitation Act, 1963	It applies to banks as it does to any other commercial entity, setting specific timeframes for legal action to recover dues or enforce securities.
Corporate & Business Entity Laws		
25.	Companies Act, 2013	Governs corporate structure and compliance of banks alongside Banking Regulation Act, 1949 requirements.
26.	Micro, Small and Medium Enterprises Development Act, 2006	Applies through RBI directives requiring banks to support MSME credit and risk management.

Consumer Protection and Competition		
27.	Consumer Protection Act, 2019	Applicable to banks as providers of "services", enabling customers to seek redressal for deficiency in service, unfair trade practices or restrictive practices in relation to banking services.
28.	Competition Act, 2002	Applicable to banks as enterprises, regulating anti-competitive agreements, abuse of dominant position and combinations, and prohibiting practices having an appreciable adverse effect on competition.
Intellectual Property Laws		
29.	Trademarks Act, 1999	Banks can register their names, logos, and taglines as trademarks.
30.	Copyright Act, 1957	Banks, as corporate entities, own copyrights on software, training manuals, reports, and marketing materials, while they must also avoid infringing on third-party intellectual property.
31.	Design Act, 2000	Applies to protect the design elements of bank products like cards, passbooks, and interfaces.
Technology, Cyber and Data Laws		
32.	Information Technology Act, 2000	Governs electronic records, cybersecurity, and digital transactions applicable to banks.
33.	Digital Personal Data Protection Act, 2023	Applies as data fiduciaries requiring consent-based processing, breach reporting, and data protection.
34.	Aadhar Act, 2016	Applies for Know Your Customer (KYC) and direct benefit transfers (DBT) facilitation based on UIDAI and RBI regulations.
Taxation Laws		
35.	Income Tax Act, 2025	Banks act as taxpayers and TDS agents, reporting transactions and complying with tax obligations.
36.	Central Goods and Services Tax Act, 2017	Applies to banking services with GST compliance, including ITC rules and invoicing.
37.	Integrated Goods and Services Tax Act, 2017	It applies to banks primarily when they provide services across state borders, deal with inter-branch transactions, or engage in international banking activities.
38.	State Goods and Services Tax Act, 2017	It applies to banks primarily when they provide services within a state.
39.	Central Sales Tax Act, 1956	It applies to banks primarily when they act as dealers engaged in the sale of goods across state boundaries.
Procedural & Evidence Laws		
40.	Bharatiya Nagarik Suraksha Sanhita, 2023	It applies to banks primarily as a procedural framework for investigation, seizure of assets, and compliance with law enforcement actions. It mandates stricter cooperation from financial institutions regarding electronic records, cybersecurity, and the freezing of "proceeds of crime".
41.	Bharatiya Sakshya Adhiniyam, 2023	It applies to banks primarily by setting new, stricter standards for how bank records, particularly electronic and digital records, are admitted as evidence in judicial proceedings.
42.	Bharatiya Nyaya Sanhita, 2023	It applies to banks by strengthening penalties for economic offences, fraud, and criminal breach of trust. It specifically addresses financial crimes, including digital frauds, that target financial institutions.
43.	Bankers' Book Evidence Act, 1891	It applies to banks, allowing certified bank records as evidence without producing originals in legal proceedings.
44.	Civil Procedure Code, 1908	Governs civil disputes involving banks where special recovery laws do not apply.
45.	Arbitration and Conciliation Act, 1996	Applies as an arbitration framework for resolving commercial disputes involving banks.

Labour and Employment Laws		
46.	Code on Wages, 2019	Applies to bank employees, ensuring minimum wages, timely payment, and equality.
47.	Industrial Relations Code, 2020	It applies to banks as organised financial establishments, focuses on streamlining disputes, recognising unions, and regulating workforce changes.
48.	Occupational Safety, Health and Working Conditions Code, 2020	It applies to banks, requiring mandatory registration, enhanced welfare standards, providing appointment letters, ensuring safe working conditions, providing free annual health check-ups, and limiting work hours.
49.	Code on Social Security, 2020	It applies to banks mandating stricter compliance for Provident Fund (PF), Employee State Insurance (ESI), and gratuity.
50.	Sexual Harassment of Women at Workplace Act, 2013	It applies to banks as they fall under the definition of a "private sector organisation" or "private venture" engaging in commercial/financial activity to prevent workplace sexual harassment and ensure grievance redressal.
Business Operation Laws		
51.	Indian Stamp Act, 1899	It applies to banks as a mandatory fiscal statute, requiring them to ensure all financial instruments and documents they execute, receive, or hold are properly stamped to be legally valid and admissible in court.
Environmental and Sectoral Laws		
52.	Water (Prevention and Control of Pollution) Act, 1974	Banks are considered "occupiers" of premises (offices, branches, data centres) under the Act. Bank offices and branches that generate sewage and discharge it into municipal sewers or water bodies must comply with standards set by the State Pollution Control Board (SPCB).
53.	Energy Conservation Act, 2001	It applies to banks primarily through the regulation of their commercial building energy consumption, specifically focusing on energy efficiency in branches, administrative offices, and data centres.
Miscellaneous		
54.	General Clauses Act, 1897	Applicable as an interpretative statute, providing definitions and principles for construction of terms used in Central Acts, rules and regulations governing banks, unless otherwise specified.
55.	Indian Trust Act, 1882	It can apply in specific situations where a bank is acting in a trustee role or is involved in a trust structure.
56.	Insurance Act, 1938	Relevant when banks act as insurance distributors/agents.
57.	Registration Act, 1908	Applies to banks regarding the creation of mortgages and registration of the mortgage deed.
Maharashtra State Acts		
58.	The Maharashtra Provision of Facilities for Agricultural Credits by Bank Act, 1974	Enables banks to provide agricultural loans with priority security and recovery benefits.
59.	Maharashtra Electricity (Special Powers) Act, 1946	Not directly applicable to banking operations; however, banks may be covered in their capacity as electricity consumers, particularly in relation to directions issued by the State Government on regulation or restriction of electricity consumption.
60.	Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981	It applies to banks by mandating that they, as principal employers, hire security guards primarily through the government-constituted Security Guards Board, ensuring registered guards receive regulated wages, welfare, and employment security.
61.	The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017	It applies to banks in Maharashtra as they constitute "commercial establishments" rendering services. It regulates the working conditions in Maharashtra.
62.	Maharashtra Goods and Services Tax Act, 2017	It applies to banks in Maharashtra for intra-state supply of taxable financial services, requiring mandatory GST registration and compliance.
63.	Maharashtra Stamp Act, 1958	Applies to the stamping of financial instruments executed in Maharashtra.

B. Rules and Regulations

Sr. No.	Legislation
1.	Banking Regulation (Companies) Rules, 1949
2.	Banking Companies (Period of Preservation of Records) Rules, 1985
3.	Banking Companies (Nomination) Rules, 2025
4.	Debts Recovery Tribunal (Procedure) Rules, 1993
5.	Debts Recovery Appellate Tribunal (Procedure) Rules, 1994
6.	Insurance Ombudsman Rules, 2016
7.	The Companies (Incorporation) Rules, 2014
8.	The Companies (Management and Administration) Rules, 2014
9.	The Companies (Corporate Social Responsibility Policy) Rules, 2014
10.	The Companies (Appointment and Qualifications of Directors) Rules, 2014
11.	The Companies (Meetings of Board and its Powers) Rules, 2014
12.	The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
13.	The Companies (Acceptance of Deposits) Rules, 2014
14.	The Companies (Accounts) Rules, 2014
15.	The Companies (Indian Accounting Standards) Rules, 2015
16.	The Companies (Audit and Auditors) Rules, 2014
17.	Companies (Registration of Charges) Rules, 2014
18.	Companies (Filing of Documents and Forms in XBRL) Rules, 2015
19.	The Companies (Authorized to Register) Rules, 2014
20.	The Companies (Registration of Foreign Companies) Rules, 2014
21.	The Companies (Adjudication of Penalties) Rules, 2014
22.	Companies (Accounting Standards) Rules, 2021
23.	The Companies (Auditor's Report) Order, 2020
24.	Security Interest (Enforcement) Rules, 2002
25.	Credit Information Companies Rules, 2006
26.	Occupational Safety, Health and Working Conditions (Central) Rules, 2025
27.	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013
28.	Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018
29.	Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) Rules, 2011
30.	SARFAESI (Central Registry) Rules, 2011
Sr. No.	**Regulations**
1.	The Reserve Bank of India Scheduled Banks' Regulations, 1951
2.	Payment and Settlement Systems Regulations, 2008
3.	Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961
4.	Credit Information Companies Regulations, 2006
5.	IRDAI (Registration of Corporate Agents) Regulations, 2015
6.	IRDAI (Protection of Policyholders' Interests) Regulations, 2017

For M/s. SHAH PATEL & ASSOCIATES
Practicing Company Secretaries
Swapneel Vinod Patel
Partner
Membership No.: A41106
COP.No.: 15628
Peer Review Certificate no. 7450/2025
FRN: P2015MH046300
UDIN: A041106H000720532

Place: Mumbai
Date: July 01, 2026

ANNEXURE D

Board Meetings held during FY 2025-26:

Sr. No.	Date of Meeting	Total Number of directors as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	30.04.2025	9	9	100%
2	30.05.2025	10	10	100%
3	11.08.2025	10	10	100%
4	19.09.2025	10	8	80%
5	06.10.2025	9	9	100%
6	11.11.2025	9	9	100%
7	10.02.2026	10	10	100%
8	31.03.2026	10	10	100%

Committee Meetings held during FY 2025-26:

Sr. No.	Type of meeting	Date of Meeting	Total Number of Members as on the date of meeting	Attendance	
				Number of Members attended	% of attendance
1	Audit Committee				
	1	29.04.2025	4	4	100%
	2	28.05.2025	4	3	75%
	3	06.06.2025	4	4	100%
	4	10.06.2025	4	4	100%
	5	11.08.2025	4	4	100%
	6	28.08.2025	4	4	100%
	7	15.09.2025	4	4	100%
	8	28.10.2025	3	3	100%
	9	11.11.2025	3	3	100%
	10	29.01.2026	3	3	100%
	11	09.02.2026	3	3	100%
	12	25.02.2026	3	3	100%
2	Board Credit and Investment Committee				
	1	21.04.2025	5	5	100%
	2	24.04.2025	5	4	80%
	3	21.05.2025	5	5	100%
	4	28.05.2025	5	4	80%
	5	19.06.2025	5	5	100%
	6	25.06.2025	5	5	100%
	7	21.07.2025	5	5	100%
	8	28.07.2025	5	5	100%
	9	21.08.2025	5	5	100%
	10	28.08.2025	5	4	80%
	11	22.09.2025	5	3	60%
	12	30.09.2025	4	3	75%

	13	09.10.2025	4	4	100%
	14	07.11.2025	4	4	100%
	15	20.11.2025	4	3	75%
	16	27.11.2025	4	4	100%
	17	19.12.2025	4	4	100%
	18	30.12.2025	4	4	100%
	19	20.01.2026	4	4	100%
	20	24.02.2026	4	4	100%
	21	23.03.2026	4	4	100%
	22	30.03.2026	4	4	100%
3	Nomination and Remuneration Committee				
	1	21.04.2025	5	5	100%
	2	27.06.2025	5	5	100%
	3	07.11.2025	4	4	100%
4	Special Committee of the Board for Monitoring and Follow-up of cases of Frauds				
	1	16.07.2025	4	4	100%
	2	19.09.2025	4	3	75%
	3	15.10.2025	4	3	75%
	4	19.01.2026	4	4	100%
5	Corporate Social Responsibility Committee				
	1	30.05.2025	5	5	100%
6	Customer Service and Marketing Strategy Committee				
	1	15.05.2025	4	4	100%
	2	20.11.2025	4	3	75%
7	IT Strategy Committee				
	1	06.05.2025	4	4	100%
	2	06.06.2025	4	4	100%
	3	12.09.2025	4	4	100%
	4	09.12.2025	4	4	100%
	5	11.03.2026	4	4	100%
8	Risk Management Committee				
	1	29.05.2025	5	3	60%
	2	27.06.2025	5	5	100%
	3	12.09.2025	5	5	100%
	4	26.11.2025	5	5	100%
	5	09.03.2026	5	5	100%
	6	11.03.2026	5	3	60%

For and on behalf of the Board of Directors of
SBM Bank (India) Limited

Ashish Vijayakar
Managing Director & CEO
(DIN: 10498810)

Amit Jagdhari
Executive Director & CFO
(DIN: 10738364)

Place: Mumbai
Date: September 02, 2026

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To
The members of SBM Bank (India) Limited
Report on audit of the financial statements

Opinion

We have audited the accompanying financial statements of SBM Bank (India) 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") except for the disclosures relating to Pillar 3 disclosure as at March 31, 2026 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under Basel III Capital Regulations.

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 and guidelines 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 loss 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 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:

Key Audit Matter	How our audit addressed the key audit matter
Identification and provisioning of non-performing advances (Refer Schedule 9 and Schedule 17B (4)) Total Loans and Advances (Net of Provision) as at March 31, 2026 : Rs. 6,16,04,523 (in '000s) Provision for NPA as at March 31, 2026: Rs.6,33,616 (in '000s)	
The Reserve Bank of India's ("RBI") guidelines on Income Recognition, Asset Classification and Provisioning ("IRACP") and other circulars and directives issued by the RBI from time to time prescribe the prudential norms for identification and classification of performing and non-performing assets ("NPA") and the minimum provisions required for such assets. The Bank is required to have a Board approved policy as per	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. In particular: a. We have evaluated and understood the Bank's internal control system in adhering to the relevant

Key Audit Matter	How our audit addressed the key audit matter
IRACP guidelines for NPA identification and classification of advances and provision thereon. The management of the Bank relies on its automated IT systems to determine the asset classification, income recognition, provisioning for advances and for compliance of applicable regulatory guidelines issued by the RBI. The management supplements its assessment 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, based on a periodic qualitative assessment, as required under IRACP guidelines and the policy of the Bank. Since the identification of NPAs and provisioning for advances require a significant level of judgement and estimation and given its significance to the overall audit, we have ascertained identification and provisioning for NPAs as a key audit matter.	RBI guidelines regarding income recognition, ass et classification and provisioning pertaining to advances. 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 compliances of other regulatory guidelines issued by the RBI in this regard. 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 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. e. We have reviewed the report of the external concurrent auditors regarding compliance of RBI circular in respect of IRAC automation.
Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Refer Schedule 8 and Schedule 17B(3)) Total Investments as at March 31, 2026: Rs. 2,16,95,673 (in '000s) Provision for NPI as at March 31, 2026: NIL	
Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other securities. These investments are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against. Investments are classified under three categories, viz., Held to Maturity (HTM), Available for Sale (AFS), and Fair Value through Profit and Loss (FVTPL) and the category of the investment is decided by the Bank before or at the time of acquisition based on management intent and investment objectives.	Our audit approach towards Investments with reference to the RBI Circulars /directives included the understanding of internal controls and substantive audit procedures in relation to classification, valuation, identification of non-performing investments (NPIs), provisioning / depreciation related to Investments. In particular; a. We understood and reviewed the methodology adopted by the Bank for classification of investments into various categories as per RBI guidelines; b. We understood and evaluated the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning /depreciation related to investments;

Key Audit Matter	How our audit addressed the key audit matter
The valuation of each category (type) of the aforesaid securities is to be done as per the valuation hierarchy prescribed in the RBI circulars, method prescribed in the circulars and directives issued by the RBI which involves collection of data/information from various sources such as FIMMDA / FBIL rates, rates quoted on BSE/NSE, NAVs of mutual funds, Security Receipts etc. Identification of non-performing investments (NPIs), related income recognition and provisioning thereon is made in accordance with extant RBI guidelines in this regard and based on management judgement of recoverability thereof. Considering the complexities and extent of judgement involved, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.	c. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments; d. For the selected sample of investments in hand, we tested accuracy and compliance with the RBI circulars and directions by re-performing valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample; e. We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision; f. We carried out substantive audit procedures to recompute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI. g. We tested mapping of investments between the Investment application software and the financial statement preparation software for compliance with presentation and disclosure requirements of RBI directions.
Information Technology ('IT') systems and controls impacting financial controls.	
The Bank has a comprehensive IT architecture to support its day-to-day business operations. The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. 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. We have identified 'IT systems and controls' as key audit matter because of the level of automation, significant number of systems being used by the Bank and the complexity of the IT architecture and its impact on the financial reporting system.	Our Audit procedures with respect to this matter included: For testing the IT general controls, application controls and IT dependent manual controls, we involved experienced personnel as part of the audit. Our team also tested the accuracy of the information produced by the Bank's IT systems. We obtained an understanding of IT applications operating at the Bank. It was followed by mapping of specific accounts affected by such applications the financial risks posed by these applications. Key IT audit procedures include review of design and operating effectiveness of key controls operating over user access management, change management, program development, backups, incident management IT security in relation to critical IT applications.

Key Audit Matter	How our audit addressed the key audit matter
	In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were reviewed. We also reviewed the reports issued by Internal Audit Department covering IT systems, IS / Systems audit reports and other available relevant audit reports, to verify if any adverse findings have been reported by such auditors.

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 Annual Report but does not include the Financial Statements and our Auditors' Report thereon and the Pillar 3 Disclosures under Basel III Capital Regulations, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The 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.

Responsibilities of Management and Those Charged with Governance for financial statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of 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 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the 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 Standalone 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.

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 provisions 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, 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.

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 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";
   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 knowledge and according to the explanations given to us;
      i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 15 and 16 of Schedule 17(B) to the financial statements;
      ii. the Bank does not have long term contracts including derivative contracts on which there are material foreseeable losses required to be provided for.
      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,
         a. 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.
         b. 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
         c. 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. During the year the Bank has not declared or paid any dividend.

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 matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the Bank is a banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act do not apply.

Place: Mumbai
Date: May 27, 2026.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 26129389PUNFHR5985

Annexure A to the Independent Auditor's Report

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 SBM Bank (India) 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 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 degree of compliance with policies or procedures may deteriorate.

Place: Mumbai
Date: May 27, 2026.

For Gokhale & Sathe
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 26129389PUNFHR5985

SBM BANK (INDIA) LIMITED

BALANCE SHEET AS ON MARCH 31, 2026

	Schedule	Audited As at 31 March 2026 (Amount in ₹'000)	Audited As at 31 March 2025 (Amount in ₹'000)
CAPITAL & LIABILITIES			
Capital	1	10,937,011	10,011,375
Reserves & Surplus	2	(2,153,077)	(2,102,893)
Deposits	3	93,345,706	76,994,625
Borrowings	4	6,050,545	6,205,200
Other Liabilities and Provisions	5	6,267,185	4,724,171
TOTAL		**114,447,370**	**95,832,478**
ASSETS			
Cash and Balances with Reserve Bank of India	6	21,940,631	21,366,137
Balances with Banks and Money at Call and Short Notice	7	637,144	209,183
Investments	8	21,695,673	22,116,971
Advances	9	61,604,523	46,536,277
Fixed Assets	10	1,018,802	1,051,858
Other Assets	11	7,550,597	4,552,052
TOTAL		**114,447,370**	**95,832,478**
Contingent Liabilities	12	316,845,708	178,937,600
Bills for Collection		13,461,553	11,983,229
Accounting Policies & Notes on Accounts	17.A & 17.B		

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2026

	Schedule	Year Ended 31 March 2026 (Amount in ₹'000)	Year Ended 31 March 2025 (Amount in ₹'000)
I. INCOME			
Interest earned	13	8,170,824	7,408,333
Other Income	14	1,994,280	1,757,382
TOTAL		**10,165,104**	**9,165,715**
II. EXPENDITURE			
Interest expended	15	6,414,586	5,450,702
Operating expenses	16	3,943,120	4,340,719
Provisions & contingencies	17B - (14.e)	(37,774)	246,299
TOTAL		**10,319,932**	**10,037,720**
III. PROFIT/LOSS			
Net profit/(loss) for the year		(154,828)	(872,005)
Profit/(loss) brought forward		(3,809,746)	(3,153,624)
TOTAL		**(3,964,574)**	**(4,025,629)**
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		-	-
Transfer to Capital Reserve		53,646	26,305
Transfer to Investment Fluctuation Reserve		-	(242,188)
Balance carried over to Balance Sheet		(4,018,220)	(3,809,746)
TOTAL		**(3,964,574)**	**(4,025,629)**
V. BASIC AND DILUTED EARNING PER SHARE (₹)	17B - (23)	(0.15)	(0.89)

The Schedules referred to above form an integral part of the Balance Sheet.

As per our attached Report of even date.

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our attached Report of even date.

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.: 103264W

Sd/-
Mr. Rahul Joglekar
Partner
ICAI Membership No. 129389

For SBM Bank (India) Limited

Sd/-
Mr. Ashish Vijayakar
Managing Director & Chief Executive Officer
DIN: 10498810

Sd/-
Mr. Amit Jagdhari
Executive Director &
Chief Financial Officer
DIN: 10738364

Sd/-
Mr. Mehul Somaiya
Company Secretary
ACS Membership No. A43026

Place: Mumbai
Date: May 27, 2026

SBM BANK (INDIA) LIMITED

STATEMENT OF CASH FLOW

Particulars	Year Ended March 31, 2026 (Amount in ₹'000)	Year Ended March 31, 2025 (Amount in ₹'000)
A. Cash Flow from Operating Activities		
Net Profit after Taxes	(154,828)	(872,005)
Adjustments to profit/(loss) from operations		
Depreciation on Fixed Assets	320,530	302,209
Amortization of premium on investments	34,008	24,308
Specific Provision for NPA	(468,873)	225,651
Diminution on Investment	6,986	(13,710)
Non performing Advances written off	296,920	98,310
Provision for Standard Advances	148,221	4,201
Sub-Total	**182,964**	**(231,036)**
Changes in working capital		
(Increase)/Decrease in Investments	353,315	10,085,016
(Increase)/Decrease in Advances	(14,896,293)	(98,190)
(Increase)/Decrease in Other Assets	(3,034,686)	(161,772)
Increase/(Decrease) in Deposits	16,351,081	5,864,814
Increase/(Decrease) in Other Liabilities	1,394,793	1,621,089
Net Cash from Operating Activities before Income Tax	**351,174**	**17,079,921**
Refund received from Income Tax	36,141	(13,618)
Net Cash from Operating Activities after Income Tax	**387,315**	**17,066,303**
B. Cash Flow from Investing Activities		
(Increase)/Decrease in Held To Maturity (HTM) securities	23,177	(1,611,541)
Purchase of Fixed Assets	(199,382)	(317,522)
Net Cash from Investing Activities	**(176,205)**	**(1,929,063)**
C. Cash Flow from Financing Activities		
Additional capital infused	946,000	800,000
Increase/(Decrease) in Borrowings	(154,655)	(1,063,200)
Net Cash from Financing Activities	**791,345**	**(263,200)**

SBM BANK (INDIA) LIMITED

STATEMENT OF CASH FLOW

Particulars	Year Ended March 31, 2026 (Amount in ₹'000)	Year Ended March 31, 2025 (Amount in ₹'000)
D. Cash and Cash Equivalent at the beginning of the year		
I Cash in Hand (including foreign currency notes and gold)	24,665	19,482
II Balances with Reserve Bank of India	21,341,472	6,294,854
III Balances with Banks and Money at Call and Short Notice	209,183	386,944
	21,575,320	**6,701,280**
E. Cash and Cash Equivalent at the end of the year		
I Cash in Hand (including foreign currency notes and gold)	23,093	24,665
II Balances with Reserve Bank of India	21,917,538	21,341,472
III Balances with Bank and Money at Call and Short Notice	637,144	209,183
	22,577,775	21,575,320
A Cash Flow from Operating Activities	387,315	17,066,303
B Cash Flow from Investing Activities	(176,205)	(1,929,063)
C Cash Flow from Financing Activities	791,345	(263,200)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**1,002,455**	**14,874,040**
D Cash and Cash Equivalent at the beginning of the year	**21,575,320**	**6,701,280**
E Cash and Cash Equivalent at the end of the year (A+B+C+D)	**22,577,775**	**21,575,320**

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.: 103264W

Sd/-
Mr. Rahul Joglekar
Partner
ICAI Membership No. 129389

Place: Mumbai
Date: May 27, 2026

For SBM Bank (India) Limited

Sd/-
Mr. Ashish Vijayakar
Managing Director & Chief Executive Officer
DIN: 10498810

Sd/-
Mr. Amit Jagdhari
Executive Director &
Chief Financial Officer
DIN: 10738364

Sd/-
Mr. Mehul Somaiya
Company Secretary
ACS Membership No. A43026

SBM BANK (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31 March 2026 (Amount in ₹'000)	31 March 2025 (Amount in ₹'000)
SCHEDULE 1 : CAPITAL		
Authorised Capital :		
2,000,000,000 equity shares of ₹10 each (P.Y. 2,000,000,000)	**20,000,000**	**20,000,000**
Issued, subscribed and paid-up capital :		
Opening Balance (100,11,37,511 equity shares of ₹10 each)	10,011,375	9,213,768
Additions during the year (9,25,63,600 equity shares of ₹10 each)	925,636	797,607
Deductions during the year	-	-
TOTAL	**10,937,011**	**10,011,375**
SCHEDULE 2 : RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	504,055	504,055
Additions during the year	-	-
Deductions during the year	-	-
Sub Total	**504,055**	**504,055**
II. Capital Reserve		
Opening Balance	144,958	118,653
Additions during the year	53,646	26,305
Deductions during the year	-	-
Sub Total	**198,604**	**144,958**
III. Retained Earnings		
Opening Balance	320,098	320,098
Additions during the year	-	-
Deductions during the year	-	-
Sub Total	**320,098**	**320,098**
IV. Investment Fluctuation Reserve		
Opening Balance	95,559	337,745
Additions during the year	-	-
Deductions during the year	-	242,186
Sub Total	**95,559**	**95,559**
V. Revaluation Reserve		
Opening Balance	256,762	265,205
Additions during the year	96,540	-
Deductions during the year	8,447	8,443
Sub Total	**344,855**	**256,762**
VI. Share Premium		
Opening Balance	358,209	355,816
Additions during the year	20,364	2,393
Deductions during the year	-	-
Sub Total	**378,573**	**358,209**
VII. Revenue and General Reserve		
Opening Balance	23,400	-
Opening Transition Provision Adjustments	-	23,400
Additions during the year	-	-
Deductions during the year	-	-
Sub Total	**23,400**	**23,400**
VIII. AFS Reserve		
Opening Balance	3,812	-
Additions during the year	-	3,812
Deductions during the year	3,812	-
Sub Total	**-**	**3,812**
IX. Balance in Profit and Loss Account	(4,018,220)	(3,809,746)
X. Share Application Money	**-**	**-**
Total (I+II+III+IV+V+VI+VII+VIII+IX+X)	**(2,153,077)**	**(2,102,893)**
SCHEDULE 3 : DEPOSITS		
A.I. Demand Deposits		
(i) From Banks	1,065,438	129,163
(ii) From Others	8,265,093	5,507,037
A.II. Savings Bank Deposits	14,079,857	9,934,593
A.III. Term Deposits		
(i) From Banks	4,302,863	4,736,447
(ii) From Others	6,56,32,455	5,66,87,385
Total	**93,345,706**	**76,994,625**
B.I. Deposits of branches in India	93,345,706	76,994,625
B.II. Deposits of branches outside India	-	-
TOTAL	**93,345,706**	**76,994,625**
SCHEDULE 4 : BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	500,000	750,000
iii) Other Institutions and Agencies	2,990,000	5,455,200
Sub Total	**3,490,000**	**6,205,200**
II. Borrowings outside India	2,560,545	-
TOTAL (I + II)	**6,050,545**	**6,205,200**
Secured Borrowings included in I & II above	-	-

SBM BANK (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31 March 2026 (Amount in ₹'000)	31 March 2025 (Amount in ₹'000)
SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	64,563	65,607
II. Interest Accrued	466,233	680,412
III. Deferred Tax Liability (Net)	-	-
IV. Provision for standard advances (Refer Note 4 (a) - Schedule 17.B)	390,946	242,725
V. Others (including Provisions) (Refer Note 32- Schedule 17.B for items exceeding 1% of total assets)	5,345,443	3,735,427
TOTAL	6,267,185	4,724,171
SCHEDULE 6 : CASH AND BALANCES WITH RBI		
I. Cash in Hand (including Foreign Currency Notes - NIL) (P.Y. : NIL)	23,093	24,665
II. Balances with Reserve Bank of India		
in Current Account	2,807,538	2,681,472
in Other Accounts	19,110,000	18,660,000
TOTAL	21,940,631	21,366,137
SCHEDULE 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I. In India		
i) Balances with Banks in		
(a) Current Accounts	5,644	6,656
(b) Other Deposit Accounts	-	-
ii) Money at call and short notice		
(a) with Banks	-	-
(b) with Other Institutions	-	-
Sub Total	5,644	6,656
II. Outside India		
i) in Current Accounts	285,227	202,527
ii) in Other Deposit Accounts	-	-
iii) in Money at Call and Short Notice	346,273	-
Sub Total	**631,500**	**202,527**
TOTAL (I + II)	637,144	209,183
SCHEDULE 8 : INVESTMENTS		
I. Investments in India in		
i. Government Securities	21,385,275	20,559,209
ii. Other Approved Securities	-	-
iii. Shares	-	-
iv. Debentures and Bonds	14,244	439,912
v. Subsidiaries and /or Joint Venture	-	-
vi. Others (includes PTC investment)	296,154	1,117,850
TOTAL	**21,695,673**	**22,116,971**
II. Investments outside India	-	-
TOTAL (I + II)	21,695,673	22,116,971

	31 March 2026 (Amount in ₹'000)	31 March 2025 (Amount in ₹'000)
SCHEDULE 9 : ADVANCES		
A. i) Bills Purchased and Discounted	1,697,607	701,710
ii) Cash Credits, Overdrafts and Loans repayable on Demand	19,580,510	13,180,073
iii) Term loans	40,326,406	32,654,494
TOTAL	**61,604,523**	**46,536,277**
B. i) Secured by Tangible Assets (includes advances against Book debts)	59,886,572	44,133,102
ii) Covered by Bank / Government Guarantees (includes advance against standby letter of credit)	59,548	64,426
iii) Unsecured	1,658,403	2,338,749
TOTAL	**61,604,523**	**46,536,277**
C. I. Advances in India		
i. Priority Sectors	18,175,634	12,242,861
ii. Public Sector	-	-
iii. Banks	-	-
iv. Others	43,428,889	34,293,416
TOTAL	**61,604,523**	**46,536,277**
II. Advances outside India	-	-
TOTAL (CI & CII)	61,604,523	46,536,277
SCHEDULE 10 : FIXED ASSETS		
I. Premises		
At Cost at beginning of year	545,713	545,713
Additions during the year*	96,539	-
Deductions during the year	-	-
Depreciation to date	200,534	188,849
Sub Total	**441,718**	**356,864**
II. Other Fixed Assets (including Furniture & Fixtures)		
At Cost at beginning of year	1,811,872	1,438,408
Additions during the year	183,325	373,464
Deductions during the year	43,511	-
Depreciation to date	1,431,962	1,158,185
Sub Total	**519,724**	**653,687**
III. Capital Work in Progress	57,360	41,307
TOTAL (I, II & III)	1,018,802	1,051,858

SBM BANK (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31 March 2026 (Amount in ₹'000)	31 March 2025 (Amount in ₹'000)
SCHEDULE 11 : OTHER ASSETS		
I. Inter-Office Adjustment (Net)	-	-
II. Interest Accrued	391,049	435,542
III. Tax paid in Advance/ Tax Deducted at Sources (Net of Provisions)	227,396	191,255
IV. Deferred Tax Assets (Net)	-	-
V. Stationery and Stamps	64	56
VI. Others* (Refer Note 33- Schedule 17.B for items exceeding 1% of total assets)	6,932,088	3,925,199
*Includes Deposits kept with NABARD ₹49,219 (P.Y. :₹65,449); with SIDBI ₹4,200 (P.Y. :₹301,500); with NHB ₹8,824 (P.Y. :₹16,920) for meeting shortfall in Priority sector lending		
TOTAL	**7,550,597**	**4,552,052**
SCHEDULE 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as Debts	50,043	43,084
II. Liability for Partly Paid Investments	-	-
III. Liability on account of outstanding Forward Exchange Contracts & Derivatives	287,081,866	156,800,568
IV. Guarantees given on behalf of Constituents		
a) In India	11,407,720	8,945,905
b) Outside India	11,182,436	7,392,252
V. Acceptances, Endorsements and Other Obligation	6,537,293	5,252,326
VI. Other items for which the Bank	586,350	503,465
TOTAL	**316,845,708**	**178,937,600**
SCHEDULE 13 : INTEREST EARNED		
I. Interest/ Discount on Advances/ Bills	5,670,427	5,157,660
II. Income on Investments	1,479,707	1,634,779
III. Interest on Balances with RBI and Other Inter-bank Funds	639,000	208,542
IV. Others*	381,690	407,352
TOTAL	**8,170,824**	**7,408,333**
*includes amortisation of premium on funding swaps of ₹30,976 (P.Y. : ₹31,638)		

	31 March 2026 (Amount in ₹'000)	31 March 2025 (Amount in ₹'000)
SCHEDULE 14 : OTHER INCOME		
I. Commission, Exchange and Brokerage	1,042,323	706,326
II. Profit / (loss) on sale of Investments	119,001	280,852
III. Profit / (loss) on Revaluation of Investments	(6,986)	13,710
IV. Profit / (loss) on sale of Land Building & Other Assets	-	-
V. Profit on Exchange Transactions	1,072,456	477,517
VI. Income earned by way of Dividends etc. from Companies and / or Joint Ventures in India & Abroad	-	-
VII. Profit / (loss) on Derivative Trade	(312,856)	140,766
VIII. Miscellaneous Income (Refer Note 34 - Schedule 17.B for items exceeding 1% of total income)	80,342	138,211
TOTAL	**1,994,280**	**1,757,382**
SCHEDULE 15 : INTEREST EXPENDED		
I. Interest on Deposits	5,555,830	4,366,733
II. Interest on Reserve Bank of India/Inter Bank Borrowings	54,351	7,811
III. Others*	804,405	1,076,158
TOTAL	**6,414,586**	**5,450,702**
*includes amortisation of discount on funding swaps of ₹404,221 (P.Y. : ₹476,435)		
SCHEDULE 16 : OPERATING EXPENSES		
I. Payments to and Provision for Employees	1,579,861	1,643,166
II. Rent, Taxes and Lighting	196,742	195,617
III. Printing and Stationery	6,658	42,164
IV. Advertisement and Publicity	19,198	28,344
V. Depreciation on Bank's Property	320,530	302,209
VI. Directors' fees, allowances and expenses	24,435	14,043
VII. Auditors' Fees and Expenses	4,746	4,189
VIII. Law charges (including Professional Fees)	279,575	385,680
IX. Postages, Telegrams, Telephones, etc.	23,290	28,872
X. Repairs and Maintenance	17,366	14,707
XI. Insurance	106,386	98,543
XII. Other Expenditure (Refer Note 31- Schedule 17.B for items exceeding 1% of total income)	1,364,333	1,583,185
Total	**3,943,120**	**4,340,719**

SBM bank

SBM BANK (INDIA) LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

SCHEDULE 17.A – SIGNIFICANT ACCOUNTING POLICIES

a) Background

SBM Bank (India) Limited, ('the Bank') is incorporated in India and is a wholly owned subsidiary of SBM (Bank) Holdings Limited, Mauritius ('the Parent'). The Bank is engaged in providing banking and financial services as a banking company governed by the Banking Regulation Act, 1949. As at March 31,2026 the bank carries out operations through 22 branches spread across 9 States and 2 Union territories in India.

b) Basis of preparation

The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. 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 the Reserve Bank of India ("RBI") from time to time, the Accounting Standards notified under section 133 of the Companies Act 2013, read with the Companies (Accounts) Rules 2014 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Rules, 2021, in so far as they apply to banks and practices generally prevalent in the banking industry in India. These financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual unless otherwise stated and conform to the presentation and disclosure requirements prescribed under Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, dated November 28, 2025, as amended from time to time.

c) Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current or future periods.

d) Revenue recognition

Income and expenses are recognized on accrual basis except as otherwise stated. Interest income is recognized in the Profit and Loss account on accrual basis except in case of interest on non-performing assets which is recognized on receipt basis. Interest income on discounted instruments is recognized over the tenor of the instrument on a straight-line basis. Processing Fees, Commission on Letters of Credit and Locker Fees income are recognized upfront on becoming due. Commission on bank guarantees issued is amortized over the period of guarantees. Penal interest/charges on products where applicable is recognised as income on realization Income on insurance commission are accounted on right to receive basis. Fees paid/received for priority sector lending certificates (PSLC) is amortised on straight-line basis over the period of the certificate. Dividend income is recognized when the right to receive the dividend is established. The Bank derecognizes its financial assets when it sells to Securitization Company (SC)/ Reconstruction Company (RC), and accounts for as under:

- If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
- If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

Profits on sale of investments in the Held to Maturity (HTM) category are appropriated to Capital Reserve (net of applicable taxes and amount required to be transferred to Statutory Reserve). Any gain or loss on sale of equity instruments designated under AFS is transferred from AFS-Reserve to the Capital Reserve (net of applicable taxes and amount required to be transferred to Statutory Reserve). As against this, gain or loss on sale of debt instruments in AFS category is transferred from AFS-Reserve to the Profit & Loss Account.

e) Foreign Exchange Transactions

Income and expenditure items are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities denominated in foreign currencies are revalued at the year-end rates as notified by Foreign Exchange Dealers Association of India (FEDAI).Net exchange differences arising on the settlement of transactions and on account of restatement of assets and liabilities are charged or credited to the Profit and Loss account as prescribed by RBI.

Outstanding forward exchange contracts are revalued at rates of exchange notified by FEDAI and the resulting profits or losses are included in the Profit and Loss account. Guarantees and Acceptances, endorsements and other obligations are stated at the year-end closing rate as notified by FEDAI.

f) Derivatives

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes over the counter and Exchange Traded derivative transactions for Balance Sheet management and also for proprietary trading/market making whereby the Bank offers OTC derivative products to the customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines. Currently the bank is dealing in FX forward contracts, Cross Currency Swaps, Interest Rate Swaps, Long-term Forex contracts, FX Swaps & FX Options etc.

Trading derivatives are marked to market as per the generally accepted practices prevalent in the industry and the resultant unrealized gain or loss is recognized in the Profit and Loss Account, with the corresponding net unrealized amount reflected in "Other Assets" or "Other Liabilities and provisions" in the Balance Sheet.

Forward Exchange contracts and other derivative contracts which have overdue receivables remaining unpaid for over 90 days or more are classified as non-performing assets and are provided for as prescribed by RBI.

The Bank also maintains a general provision on derivative exposures computed on the positive mark-to-market value of the contracts in accordance with the RBI guidelines.

Notional amount of derivative exposure comprising of swap, forward and option are disclosed as off balance sheet exposures.

The Bank has undertaken funding swaps to hedge certain loans and deposits. Premium/discount on such funding swaps is recognized as interest income/expense and is amortized on a pro-rata basis over the underlying swap period.

g) Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation, as given below:

Classification

Investments are classified under "Held to Maturity" (HTM), "Available for Sale" (AFS) and "Fair Value through Profit and Loss" (FVTPL) with a subcategory named Held for Trading (HFT).

The category of the investment is decided at the time of acquisition of investment.

HTM Investment: The securities under HTM are acquired with the intention and objective of holding it till maturity. Further, the security's cash flows are solely towards payments of principal and interest on principal outstanding i.e. they meet 'SPPI criterion'.

AFS Investment: The securities under AFS are acquired with an objective to achieve both, collecting contractual cash flows and selling securities. Investment under AFS classification also meets the SPPI criteria. AFS investments aid in managing bank's asset liability management (ALM), where the bank's intent is flexible with respect to holding to maturity or selling before maturity.

FVTPL Investments: Securities that do not qualify for inclusion in HTM or AFS (due to intention of acquisition or does not meet SPPI criteria) are classified under FVTPL.

Held for Trading (HFT) is a separate investment subcategory within FVTPL categories. Investments under HFT are classified when the purpose of acquisition is towards short-term resale, profiting from short-term price movements, locking in arbitrage profits or hedging risks that arise from HFT instruments.

For the purpose of disclosure of balance sheet, Investments are classified under 6 groups viz. i) Government Securities, ii) Other Approved Securities, iii) Shares, iv) Debentures and Bonds v) Subsidiaries and / or joint ventures and vi) Other Investments.

Purchase and sale transactions in securities are recorded under settlement date of accounting, except in the case of equity shares where trade date accounting is followed.

Initial Recognition of investments:

The transactions in all securities are measured at fair value on initial recognition with a presumption that acquisition cost is the fair value. Fair value measurements are categorised into following 3 fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable

i. "Level 1" - wherein inputs used for valuation of a financial instrument are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date.
ii. "Level 2" – wherein inputs used for valuation of a financial instrument are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (such as yield curve, credit spread etc.)
iii. "Level 3" – wherein valuation is based on unobservable inputs

Recognition of Day 1 Gain/Loss:

i. Day 1 gain / loss arising in initial recognition of Level 1 and Level 2 hierarchy, is recognised in the Profit and Loss Account, under item III- 'Profit/Loss on revaluation of investments(net)' under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.
ii. Any Day 1 loss arising from Level 3 investments is recognised immediately.
iii. Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortised on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments)

Valuation

Investments held under HTM category are not market to market and carried at acquisition cost. If the acquisition cost is more than or less than the face value, the premium or discount is amortised over the remaining tenor of the investments. The discount or premium amortized is reflected as a part of interest earned or expended in the Profit and Loss Account.

Investments classified under AFS and FVTPL (including HFT) portfolio are marked to market on daily basis. Any discount or premium on the acquisition of debt securities under AFS and FVTPL (including HFT) portfolio is amortised over the remaining tenor of the investments. The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account. Investments under AFS and FVTPL (including HFT) classification are valued as per rates declared by Financial Benchmarks India Pvt. Limited (FBIL) and in accordance with the RBI guidelines. The net appreciation or depreciation in the case of AFS is directly credited or debited to AFS-Reserve without routing through the Profit & Loss Account.

Treasury Bills, Commercial Paper and Certificate of Deposit are valued at carrying cost.

The valuation of other unquoted fixed income securities (viz. State government securities, Other approved securities, bonds and debentures) wherever linked to the YTM rates, is computed with a mark-up (reflecting associated credit and liquidity risk) over the YTM rates for government securities published by FBIL.

Investments in pass-through certificates (PTC's) except under HTM portfolio are valued by adopting base yield curve and FIMMDA spread matrix relative to weighted average maturity of the security.

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorized under HFT category and are marked to market. The resultant mark-to-market gains/losses are accounted as per the relevant RBI guidelines.

Broken period interest is accounted as per the RBI guidelines.

Cost of investments is based on the weighted average cost method.

Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity shares are valued at the break-up value if the latest Balance Sheet is available (which is less than 18 months old) or at Rs.1 as per the RBI guidelines.

In case of sale of NPA (financial asset) to Securitization Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognized at lower of: (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset; and (ii) Redemption value of SR.

In case Investments in Security receipts ('SR') issued against loans transferred by the Bank is more than 10 percent of all SRs issued against the transferred asset, provision for depreciation is made higher of: (i) provision required based on NAV disclosed by the assets reconstruction company; and (ii) the provision as per IRAC norms, assuming that the loan notionally continued in the books of the Bank.

SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realization of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.

Non-performing investments (NPIs) are identified and depreciation / provision are made thereon based on RBI guidelines.

Investment Fluctuation Reserve

In accordance with the RBI Circular RBI/DOR/2025-26/162 DOR.MRG.REC.No.81/00-00-001/2025-26, an Investment Fluctuation Reserve was created to protect against systemic impact of sharp increase in the yields on Government Securities. As required by the aforesaid circular the transfer to this reserve shall be lower of the following – i) net profit on sale of investments during the year; ii) net profit for the year less mandatory appropriations, until the amount of the reserve is at least 2 percent of the FVTPL (including HFT) and AFS portfolio, on a continuing basis. The bank may, at its discretion, draw down the balance available in IFR in excess of 2 percent of its FVTPL (including HFT) and AFS portfolio and disclose the same at the end of any accounting year.

Transfer of Securities between Classifications

The reclassification between the categories (viz.HTM, AFS and FVTPL (including HFT)) if any, is done with approval of the Board and prior approval of the RBI. The reclassification is applied prospectively from reclassification date and is accounted in compliance with RBI guidelines.

Repurchase transactions

Repurchase and reverse repurchase transactions (if any) are accounted in accordance with the prescribed RBI guidelines. The difference between the clean price of the first leg and the second leg is recognized as interest income/expense over the period of the transaction in the Profit and Loss account.

Others

Brokerage, fees and commission on acquisition of securities including money market instruments, are recognized as expenses in Profit and Loss account.

h) Advances

The Bank follows prudential norms formulated by RBI for classifying the assets as Standard, Sub-Standard, Doubtful and Loss assets and are stated at net of the required provision made on non-performing advances. Provision for advances classified as Standard, Sub-Standard, Doubtful & Loss assets are made based on management's assessment, subject to minimum provisions as per RBI guidelines. In addition to the provisions required to be held according to the assets classifications status, provisions are held for country exposures as per RBI guidelines. The Bank has also instituted specific policies for treatment of restructured accounts, project loans under DCCO framework, and accounts exhibiting security erosion, which are aligned with extant RBI guidelines and are applied consistently in asset classification and provisioning. Further, the Bank also maintains provisions for unhedged foreign currency exposures in accordance with RBI guidelines.

i) Fixed Assets

Office Premises are stated at revalued amount less accumulated depreciation / amortization and all other Fixed Assets are stated at cost less accumulated depreciation / amortization. Capital work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the reporting date.

Depreciation on the Fixed Assets is charged on straight-line method over the useful life of the fixed assets prescribed in Schedule II of the Companies Act, 2013. The useful life of the group of fixed assets are given below.

Type of Assets	Useful life as per Companies Act, 2013	Useful life as per Bank's Accounting Policy
Office Premises	60 years	60 years
Office equipment (including Air conditioner)	5 years	5 years
EDP Equipment's, Computers*	6 years	3 years
Software*	6 years	3 years
Furniture & Fixtures	10 years	10 years
Motor Car	8 years	8 years

* As per RBI guidelines

Revaluation of Fixed Assets

Premises are revalued every three years by an independent valuer to reflect current market valuation. Appreciation, if any, on revaluation is credited to Revaluation Reserve. Depreciation on the revalued portion of asset is adjusted from revaluation reserves.

Impairment of Assets

An asset is tested for impairment when at the balance sheet date, there are indications that the assets may be impaired. Impairment loss is recognised as the difference between the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, and its recoverable amount (i.e., the higher of the asset's net selling price and value-in-use). The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized as an expense in the Profit and Loss Account.

j) Retirement and employee benefits

i) Compensated Leave

The employees of the Bank are entitled to carry forward leave balance to the subsequent year which must be utilized within 90 days. This carried forward balance is not encashable at the time of either retirement, resignation or separation by any other modes.

ii) **Gratuity** - The Bank provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years and on completion of one year for FTE (as per new wage code). The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation. Gratuity fund is being managed by "LIC Group Gratuity Scheme" and any actuarial gain / loss contribution determined by the actuary are charged to Profit and Loss account and are not deferred.

iii) **Provident fund -** In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre-determined rate. Contribution to provident fund is recognized as expense as and when the services are rendered. The Bank has no liability for future provident fund benefits other than its annual contribution.

iv) **New Pension Scheme (NPS) -** In respect of employees who opt for contribution to the NPS, the Bank contributes certain percentage of the basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. The Bank has no liability other than its contribution and recognizes such contributions as an expense in the year incurred.

k) Net Profit / Loss

Profit/Loss for the year is arrived at after providing for non-performing advances, adjustments on valuation of investments, taxes on income, depreciation on fixed assets and other necessary and mandatory provisions.

l) Taxation

Taxes on income are accounted for in accordance with Accounting Standard (AS 22) on "Accounting for Taxes on Income" and comprise current and deferred tax. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and laws in respect of taxable income for the year, in accordance with the Income tax Act, 1961.

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation under tax laws are recognized only if there is virtual certainty of its realization, supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on account of other timing differences are recognized 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 realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

The Bank has exercised option referred u/s 115BAA with respect to tax rate, accordingly Minimum Alternative Tax ('MAT') provision u/s 115JB are not applicable on Bank.

m) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Lease transactions are accounted for in accordance with AS 19 – Leases. For operating leases, lease payments are recognized as an expense in the statement of Profit and Loss account on a straight-line basis over the lease term.

n) Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long-term contracts. In accordance with Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognizes a provision for material foreseeable losses when it has a present obligation as a result of a past event and 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 measured based on the best estimate of the expenditure 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.

In cases where the available information indicates that the loss on the contingency is reasonably possible, but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results. Contingent assets are neither recognized nor disclosed in the financial statements.

o) Floating and countercyclical provision

Countercyclical provisioning buffers and floating provisions is the specific amount that the Bank sets aside in good times. The floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining board's approval and with prior permission of RBI.

p) Cash Flow Statement

Cash Flow Statement is prepared using the indirect method set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Bank. Cash and Cash Equivalents, consist of Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice (including effect of changes in exchange rates on cash and cash equivalents in foreign currency).

q) Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS 20 – "Earnings Per Share". Earnings per share is 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. Diluted Earnings Per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at the end of the period.

r) Segment Information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

SCHEDULE 17.B: - NOTES TO THE FINANCIAL STATEMENTS

1. Regulatory Capital

a) Composition of Regulatory Capital

The Banks are required to disclose Capital adequacy ratio computed under Basel III capital guidelines of the RBI.

(₹ in Crore)

Sr. No.	CRAR ratio as per Basel III	March 31, 2026	March 31, 2025
i)	Common Equity Tier 1 capital (CET 1) / Paid up share Capital and reserves (net of deductions, if any)	849.87	767.17
ii)	Additional Tier 1 Capital/ Other Tier 1 Capital	-	-
iii)	Tier 1 Capital (i + ii)	849.87	767.17
iv)	Tier 2 Capital	261.59	255.08
v)	Total Capital (Tier 1+Tier 2)	1,111.46	1,022.25
vi)	Total Risk Weighted Assets (RWAs)	7,284.15	6,588.59
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share Capital and reserves as percentage of RWAs	11.67%	11.64%
viii)	Tier 1 Ratio (Tier 1 Capital as a percentage of RWAs)	11.67%	11.64%
ix)	Tier 2 Ratio (Tier 2 Capital as a percentage of RWAs)	3.59%	3.88%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.26%	15.52%
xi)	Leverage Ratio	5.63%	6.23%
xii)	Percentage of the shareholding of the Government of India in public sector banks	-	-
	a) Government of India	-	-
	b) State Government	-	-
	c) Sponsor Bank	-	-
xiii)	Amount of paid-up equity Capital raised during the year*	94.59	80
xiv)	Amount of non-equity Tier 1 Capital raised during the year, of which:		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	-	-
	b) Basel III compliant Perpetual Debt Instruments	-	-
xv)	Amount of Tier 2 capital raised during the year, of which	-	-
	a) BASEL III Compliant Non-Convertible Debentures	-	-

* Including Share premium of ₹2.04 Crore (Previous Year: ₹0.24 Crore)

b) Draw down from Reserves

As per “Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on November 28, 2025 - Spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR)”, a bank may at its discretion, draw down the balance available in IFR in excess of 2 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. During FY 2025-26, the bank has not drawn down from investment fluctuation reserve which was in excess of 2% of bank’s AFS and FVTPL (including HFT) portfolio (Previous Year: ₹24.22 Crore). Also, the Bank has not made any drawdown from any other Reserves.

2. Asset Liability Management

a) Maturity pattern of certain items of Assets and Liabilities

The following table presents the maturity pattern of Assets and Liability pattern as on March 31, 2026

(₹ in Crore)

Particulars	Day 1	2 to 7 days	8 to 14 Days	15 to 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
Deposits	338.72	718.83	304.88	266.76	455.97	530.60	1,517.37	1,847.17	3,179.17	151.58	23.52	**9,334.57**
Advances	119.19	240.10	44.97	159.87	389.33	254.29	528.03	805.84	2,790.02	276.82	551.99	**6,160.45**
Investments	439.43	-	75.00	6.39	5.61	24.35	8.62	410.36	71.34	293.19	835.28	**2,169.57**
Borrowings	-	-	-	-	97.42	128.80	109.83	45.00	-	-	224.00	**605.05**
Foreign Currency Assets	63.15	2.74	-	1.73	12.45	4.59	54.92	-	-	-	41.53	**181.11**
Foreign Currency Liabilities	40.69	85.03	4.85	78.41	84.04	138.88	226.65	224.29	698.66	95.33	-	**1,676.83**

The following table presents the maturity pattern of Assets and Liability pattern as on March 31, 2025

(₹ in Crore)

Particulars	Day 1	2 to 7 days	8 to 14 Days	15 to 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
Deposits	208.38	466.13	188.35	283.71	433.72	538.94	921.63	1,822.39	2,391.68	408.46	36.07	7,699.46
Advances*	80.81	160.65	24.82	5.34	179.26	56.08	143.21	286.05	2,588.74	537.16	732.24	4,794.36
Investments	691.28	-	-	10.63	20.94	19.00	27.09	392.47	189.76	153.22	707.31	2,211.70
Borrowings**	-	-	1.11	-	56.11	206.84	18.19	180.00	75.00	-	224.00	761.25
Foreign Currency Assets	20.25	-	-	-	6.42	32.05	-	1.97	-	-	37.88	98.57
Foreign Currency Liabilities	21.31	57.77	1.41	22.03	52.24	44.86	131.88	333.61	457.91	332.25	-	1,455.27

*Excluding Inter-Bank Participating Certificate Borrowing
**Including Inter-Bank Participating Certificate Borrowing

b) Liquidity Coverage Ratio (LCR)

The Basel Committee for Banking Supervision (BCBS) had introduced the Liquidity Coverage Ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. The applicable minimum LCR required to be maintained by banks is 100% as on March 31, 2026.

Quantitative Disclosure

FY 2025-26 (₹ in Crore)

		June 30, 2025		September 30, 2025		December 31, 2025		March 31, 2026	
		Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		3,145.02		3,511.03		3,544.99		3,696.26
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	3,709.45	370.95	3,835.78	383.58	3,915.36	391.54	3,968.43	396.84
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	3,709.45	370.95	3,835.78	383.58	3,915.36	391.54	3,968.43	396.84
3	Unsecured wholesale funding, of which:	2,853.91	1,622.20	3,064.57	1,696.44	3,307.75	1,873.74	3,839.59	2,301.92
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	2,853.91	1,622.20	3,064.57	1,696.44	3,307.75	1,873.74	3,839.59	2,301.92
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	848.39	159.06	988.07	173.08	1,492.03	254.26	1,642.14	302.98
(i)	Outflows related to derivative exposures and other	33.03	33.03	29.45	29.45	43.92	43.92	74.54	74.54
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	815.35	126.03	958.63	143.63	1,448.12	210.35	1,567.61	228.44
6	Other contractual funding obligations	325.76	325.76	332.56	332.56	333.71	333.71	363.10	363.10
7	Other contingent funding obligations	2,333.14	70.07	2,691.62	80.82	2,764.72	83.01	2,916.62	87.60
8	**TOTAL CASH OUTFLOWS**		2,548.04		2,666.47		2,936.26		3,452.44
Cash Inflows									
9	Secured lending (e.g., reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	153.36	145.12	99.69	88.57	55.37	46.84	79.83	64.57
11	Other cash inflows	80.54	58.89	110.81	69.64	112.88	73.63	111.50	85.23
12	TOTAL CASH INFLOWS	233.90	204.01	210.50	158.21	168.24	120.47	191.33	149.80
13	TOTAL HQLA		3,145.02		3,511.03		3,544.99		3,696.26
14	TOTAL NET CASH OUTFLOWS		2,344.03		2,508.26		2,815.80		3,302.64
15	LIQUIDITY COVERAGE RATIO (%)		134.17%		139.98%		125.90%		111.92%

Quantitative Disclosure

FY 2024-25

(₹ in Crore)

		June 30, 2024		September 30, 2024		December 31, 2024		March 31, 2025	
		Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		2,325.19		2,591.39		2,948.23		2,824.42
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	2,896.64	289.66	3,092.03	309.20	3,737.61	373.76	3,672.38	367.24
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	2,896.64	289.66	3,092.03	309.20	3,737.61	373.76	3,672.38	367.24
3	Unsecured wholesale funding, of which:	2,112.00	1,140.10	2,167.47	1,195.66	2,399.53	1,367.81	2,491.14	1,476.42
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	2,112.00	1,140.10	2,167.47	1,195.66	2,399.53	1,367.81	2,491.14	1,476.42
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	792.58	116.21	725.07	97.24	706.35	99.48	830.80	128.57
(i)	Outflows related to derivative exposures and other	7.81	7.81	3.11	3.11	6.28	6.28	17.91	17.91
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	784.77	108.40	721.96	94.13	700.07	93.20	812.89	110.66
6	Other contractual funding obligations	207.27	207.27	235.23	235.23	293.95	293.95	277.28	277.28
7	Other contingent funding obligations	1,622.16	48.77	1,714.89	51.58	1,937.75	58.24	2,028.39	60.96
8	**TOTAL CASH OUTFLOWS**		1,802.01		1,888.91		2,193.24		2,310.47
Cash Inflows									
9	Secured lending (e.g., reverse repos)	-	-	76.09	-	-	-	-	-
10	Inflows from fully performing exposures	52.13	44.66	47.12	40.39	85.84	67.96	226.34	218.50
11	Other cash inflows	57.49	32.52	89.16	45.92	144.67	77.25	57.15	37.96
12	TOTAL CASH INFLOWS	109.62	77.18	212.37	86.31	230.51	145.21	283.49	256.46
13	TOTAL HQLA		2,325.19		2,591.39		2,948.23		2,824.42
14	TOTAL NET CASH OUTFLOWS		1,724.83		1,802.60		2,048.03		2,054.01
15	LIQUIDITY COVERAGE RATIO (%)		134.81%		143.76%		143.95%		137.51%

Qualitative disclosure

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III – Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of Banks to potential liquidity disruptions by ensuring maintenance of sufficient high-quality liquid assets (HQLAs) to survive in acute stress scenario lasting for 30 days.

The ratio comprises of high-quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. HQLA has been divided into two parts i.e., Level 1 HQLA which comprises of primarily cash, excess CRR, excess SLR and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which normally contains the liquid Corporate Securities. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in within next 30 days.

For classification of deposits, the Bank segregates its deposits into various customer segments, viz Retail (which includes deposits from individuals), Corporate (which includes deposits from corporates) and Others (which includes all other residuary deposits including from Financial Counterparties).

	Line items significant to LCR	Explanatory Note
A	The main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation	The main drivers of LCR results are: 1. High Quality Liquid Asset (HQLA) is one of the major drivers of LCR; the major portion of HQLA consists of the facility to avail liquidity under Marginal Standing Facility (MSF), FALLCR & excess SLR investments. 2. Cash Outflow is another major driver of LCR. The main components of cash outflows are less stable retail deposits, funding from other legal entity, Funding from corporate entity, Funding form financial entity and net derivative cash outflow. 3. Another major driver of LCR is Cash Inflow. The main components of cash inflows are inflows by counterparty and net derivative cash inflow.
B	Intra-period changes as well as changes over time	Not Applicable
C	The composition of HQLA	The HQLA comprises of the following: 1. Level 1 assets comprises of SDF surplus SLR investments (net of encumbered against REPO, CBLO, MSF, CROMS, other securities pledged for RTGS, SGF, MCX, NSCCL etc.) and 2% of NDTL applicable for MSF and 16.00% of NDTL (FALLCR) as per RBI circular no. RBI/2022-23/25 DOR.LRG.REC.19/21.04.098/2022-23. 2. Level 2A assets comprises of Special (Discom) Bonds issued by State Government, Bonds issued by State Power Distribution Companies, Central Government PSUs excluding the finance companies and bonds of private corporates having rating of AA- and above excluding the finance companies. 3. Level 2B assets comprises of bonds of corporates having ratings of BBB- to A+ excluding the finance companies. 4. Level 2B assets also comprises of NIFTY/SENSEX shares excluding the finance companies.
D	Concentration of funding sources	Bank addresses the funding concentration by monitoring their funding from each significant counterparty, each significant product / instrument and each significant currency ('significant' is defined as aggregate amount is more than 1% of the bank's liabilities)

E	Derivative exposures and potential collateral calls	Derivative exposure of the bank consists Forward transactions, cross currency swap, interest rate swaps, options and other RMC approved derivative investments. The Bank has considered the mark-to-market amounts for computing the net cash flows from derivative transactions including the CCIL deals in the LCR computation.
F	Currency mismatch in the LCR	To capture potential currency mismatches, the LCR in each significant currency is monitored. A currency is considered as "significant" if the aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities. Besides, the LCR in all currencies, the bank also monitors the LCR in US Dollar currency, as it qualifies as significant currency under RBI guidelines.
G	Degree of centralization of liquidity management and interaction between the group's units	Liquidity management in the bank is centralized and monitored by ALM & Treasury team. Interaction between Treasury, ALM team & other functional units are seamless.
H	Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile	None
I	Other Information	None

The average LCR for the quarter ended March 31, 2026 was at 111.92% as against 137.51% for the quarter ended March 31, 2025 and above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2026 was ₹3,696.26 Crore as against was ₹2,824.42 Crore for the quarter ended March 31, 2025.

c) Net Stable Funding ratio (NSFR)

Qualitative Disclosure

The Net Stable Funding Ratio (NSFR) measures the extent to which assets are funded with stable sources of funding so that the risk of future funding stress can be mitigated. The RBI prescribes a minimum NSFR of 100%. Available Stable Funding (ASF) is calculated by applying weightages to capital and liabilities to reflect the portion that is expected to be available over a one-year time horizon. Required Stable Funding (RSF) captures the liquidity characteristics of the assets and the expectation that these assets and off-balance sheet exposures will require funding over the next year. The maturity of assets is taken as being the latest possible date at which the asset may mature. The aim of NSFR requirements is to restrict maturity mismatches between assets and liabilities and limit the reliance on unstable short-term funding to finance potentially illiquid long-term assets. The NSFR reduces long-term refinancing risk and assesses resilience over longer-term time horizon (over 1 year) of the Bank by measuring the extent of stable sources of funds with the Bank to fund its long-term assets. The NSFR shows a bank's ability to manage structural liquidity risk over a one-year horizon. It ensures that a bank's long-term illiquid assets are funded with a minimum amount of stable long-term funding.

As of 31st March 2026, Bank maintains the Available Stable Funding (ASF) Rs. 6,657.99 Crore (Previous Year: Rs. 5,966.82 Crore) and total Required Stable funding (RSF) at Rs. 5,198.08 Crore (Previous Year: Rs. 4,413.53 Crore). The RSF is primarily driven by total regulatory capital, deposits from retail customers, small business customers and non-financial corporate customers. Required Stable Funding (RSF is primarily driven by unencumbered performing loans with risk weights greater than 35% under the Standardized Approach. NSFR is sensitive to the composition of assets and liabilities and movements due to positions falling / moving into the NSFR 1-year tenor.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

NSFR FOR ALL THE QUARTERS OF FINANCIAL YEAR 2025-26 AND 2024-25 HAVE BEEN DISCLOSED BELOW:

Quantitative Disclosure

(₹ in Crore)

	Quantitative Disclosure	June 30, 2025					September 30, 2025					December 31, 2025					March 31, 2026				
		Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value
		No Maturity*	<6 months	6 months to <1 Year	=1 year		No Maturity*	<6 months	6 months to <1 Year	=1 year		No Maturity*	<6 months	6 months to <1 Year	=1 year		No Maturity*	<6 months	6 months to <1 Year	=1 year	
	ASF Item																				
1	Capital: (2+3)	828.95	-	-	224.00	1,052.95	802.71	-	-	224.00	1,026.71	886.71	-	-	224.00	1,110.71	887.46	-	-	224.00	1,111.46
2	Regulatory capital	828.95	-	-	224.00	1,052.95	802.71	-	-	224.00	1,026.71	886.71	-	-	224.00	1,110.71	887.46	-	-	224.00	1,111.46
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small (5+6) business customers:	1,100.86	648.19	680.18	1,391.53	3,443.13	1,287.92	657.99	700.64	1,345.03	3,597.01	1,189.99	671.28	804.36	1,245.08	3,522.20	1,307.73	686.89	891.16	1,380.93	3,846.69
5	Stable deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Less stable deposits	1,100.86	648.19	680.18	1,391.53	3,443.13	1,287.92	657.99	700.64	1,345.03	3,597.01	1,189.99	671.28	804.36	1,245.08	3,522.20	1,307.73	686.89	891.16	1,380.93	3,846.69
7	Wholesale funding: (8+9)	477.48	1,574.60	1,747.85	565.83	1,549.43	564.14	2,033.62	1,494.62	526.54	1,560.47	759.97	2,608.07	1,121.90	563.94	1,680.41	1,033.69	2,588.78	1,133.91	390.67	1,699.84
8	Operational deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	477.48	1,574.60	1,747.85	565.83	1,549.43	564.14	2,033.62	1,494.62	526.54	1,560.47	759.97	2,608.07	1,121.90	563.94	1,680.41	1,033.69	2,588.78	1,133.91	390.67	1,699.84
10	Other liabilities: (11+12)	411.01	198.12	54.76	-	-	390.99	169.74	54.35	-	-	411.72	195.95	49.20	-	-	541.82	312.51	65.19	-	-
11	NSFR derivative liabilities	1.72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	409.29	198.12	54.76	-	-	390.99	169.74	54.35	-	-	411.72	195.95	49.20	-	-	541.82	312.51	65.19	-	-
13	Total ASF (1+4+7+10)	2,818.30	2,420.91	2,482.80	2,181.36	6,045.51	3,045.76	2,861.35	2,249.61	2,095.57	6,184.19	3,248.39	3,475.30	1,975.46	2,033.02	6,313.32	3,770.70	3,588.18	2,090.26	1,995.60	6,657.99
	RSF Item																				
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	113.19	-	-	-	-	91.89	-	-	-	-	87.40	-	-	-	-	102.32
15	Deposits held at other financial institutions for operational purposes	14.42	-	-	-	7.21	29.06	-	-	-	14.53	24.68	-	-	-	12.34	29.09	-	-	-	14.54
16	Performing loans and securities: (17+18+19+21+23)	-	1,320.75	441.70	3,263.28	3,703.95	-	1,354.25	650.12	3,178.40	3,732.41	-	1,514.07	527.47	3,821.49	4,334.35	-	2,698.80	986.14	2,411.94	3,784.11
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	113.34	166.43	675.04	775.25	-	157.01	160.31	641.11	744.82	-	102.63	214.80	756.80	879.59	-	449.29	332.75	402.42	636.19
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:	-	1,204.85	266.95	2,491.30	2,849.35	-	1,197.23	482.01	2,470.24	2,935.42	-	1,411.31	304.36	2,981.38	3,387.84	-	2,249.51	648.65	1,950.00	3,104.21
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	14.71	-	41.17	55.87	-	13.37	-	36.14	49.50	-	12.04	-	37.46	49.50	-	-	-	57.65	57.65
21	Performing residential mortgages, of which:	-	-	8.32	67.71	52.33	-	-	7.80	63.16	48.85	-	-	8.32	61.63	48.38	-	-	4.74	58.10	42.50
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	8.32	67.71	52.33	-	-	7.80	63.16	48.85	-	-	8.32	61.63	48.38	-	-	4.74	58.10	42.50
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	2.56	-	29.23	27.02	-	0.01	-	3.89	3.32	-	0.13	-	21.67	18.53	-	-	-	1.42	1.21
24	Other assets: (sum of rows 25 to 29)	763.27	121.27	42.13	28.38	853.91	827.06	108.90	28.87	14.86	900.17	934.00	66.59	16.39	6.57	971.31	1,073.45	90.29	4.68	6.22	1,116.50
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	158.26	-	-	-	134.52	122.54	-	-	-	104.16	154.92	-	-	-	131.69	92.71	-	-	-	78.80
27	NSFR derivative assets	-	-	-	-	-	30.43	-	-	-	30.43	54.83	-	-	-	54.83	75.03	-	-	-	75.03
28	NSFR derivative liabilities before deduction of variation margin posted	7.08	-	-	-	7.08	9.86	-	-	-	9.86	9.88	-	-	-	9.88	21.38	-	-	-	21.38
29	All other assets not included in the above categories	597.93	121.27	42.13	28.38	712.31	664.23	108.90	28.87	14.86	755.72	714.37	66.59	16.39	6.57	774.91	884.33	90.29	4.68	6.22	941.29
30	Off-balance sheet items	3,561.57	-	-	-	127.54	3,962.79	-	-	-	142.16	4,334.51	-	-	-	158.38	4,777.27	-	-	-	180.61
31	Total RSF	4,339.26	1,442.02	483.83	3,291.66	4,805.80	4,818.91	1,463.15	678.99	3,193.26	4,881.16	5,293.19	1,580.66	543.87	3,828.05	5,563.77	5,879.81	2,789.09	990.82	2,418.16	5,198.08
32	Net Stable Funding Ratio (%)					125.80%					126.70%					113.47%					128.09%

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

Quantitative Disclosure

(₹ in Crore)

	NSFR Disclosure Template	June 30, 2024					September 30, 2024					December 31, 2024					March 31, 2025				
		Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value
		No Maturity*	<6 months	6 months to <1 Year	=1 year		No Maturity*	<6 months	6 months to <1 Year	=1 year		No Maturity*	<6 months	6 months to <1 Year	=1 year		No Maturity*	<6 months	6 months to <1 Year	=1 year	
	ASF Item																				
1	Capital: (2+3)	848.13	-	-	224.00	1,072.13	812.44	-	-	224.00	1,036.44	811.41	-	-	224.00	1,035.41	798.25	-	-	224.00	1,022.25
2	Regulatory capital	848.13	-	-	224.00	1,072.13	812.44	-	-	224.00	1,036.44	811.41	-	-	224.00	1,035.41	798.25	-	-	224.00	1,022.25
3	Other capital instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail deposits and deposits from small (5+6) business customers:	1,023.31	604.12	812.03	1,247.25	3,320.78	795.73	790.26	822.56	1,297.22	3,336.10	923.41	845.44	688.84	1,329.39	3,409.40	937.47	758.84	688.97	1,324.71	3,339.34
5	Stable deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Less stable deposits	1,023.31	604.12	812.03	1,247.25	3,320.78	795.73	790.26	822.56	1,297.22	3,336.10	923.41	845.44	688.84	1,329.39	3,409.40	937.47	758.84	688.97	1,324.71	3,339.34
7	Wholesale funding: (8+9)	555.80	889.50	1,433.51	611.02	1,487.27	1,054.44	1,172.32	1,199.44	614.05	1,410.80	555.26	1,755.31	909.30	468.38	1,341.41	619.90	1,777.60	1,364.79	502.81	1,605.22
8	Operational deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	555.80	889.50	1,433.51	611.02	1,487.27	1,054.44	1,172.32	1,199.44	614.05	1,410.80	555.26	1,755.31	909.30	468.38	1,341.41	619.90	1,777.60	1,364.79	502.81	1,605.22
10	Other liabilities: (11+12)	341.84	53.65	29.36	-	-	287.54	52.18	36.70	-	-	335.92	106.21	47.52	-	-	407.84	133.08	54.49	-	-
11	NSFR derivative liabilities	32.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.01	-	-	-	-
12	All other liabilities and equity not included in the above categories	308.89	53.65	29.36	-	-	287.54	52.18	36.70	-	-	335.92	106.21	47.52	-	-	398.83	133.08	54.49	-	-
13	Total ASF (1+4+7+10)	2,769.08	1,547.27	2,274.90	2,082.27	5,880.18	2,950.15	2,014.76	2,058.70	2,135.27	5,783.34	2,626.00	2,706.96	1,645.66	2,021.77	5,786.22	2,763.46	2,669.52	2,108.25	2,051.52	5,966.81
	RSF Item																				
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	118.67	-	-	-	-	86.06	-	-	-	-	116.24	-	-	-	-	101.39
15	Deposits held at other financial institutions for operational purposes	21.60	-	-	-	10.80	22.67	-	-	-	11.33	15.79	-	-	-	7.90	20.92	-	-	-	10.46
16	Performing loans and securities: (17+18+19+21+23)	-	1,183.09	430.37	3,184.16	3,559.89	-	1,043.81	636.40	3,070.19	3,486.66	-	1,254.23	568.19	3,024.80	3,490.40	-	1,050.57	462.72	3,133.68	3,420.71
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	113.11	74.52	677.27	731.49	-	139.39	151.23	670.12	766.64	-	194.66	181.92	597.17	717.33	-	184.68	142.69	517.70	616.75
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:	-	1,068.19	335.61	2,299.67	2,646.55	-	903.88	466.81	2,224.41	2,566.97	-	1,058.51	371.02	2,297.57	2,667.75	-	865.49	302.86	2,544.39	2,738.34
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	15.57	-	99.59	115.16	-	14.31	-	107.65	121.96	-	13.08	-	99.87	91.42	-	12.31	-	149.13	161.45
21	Performing residential mortgages, of which:	-	-	20.25	80.25	72.41	-	-	18.35	75.38	67.35	-	-	15.25	68.76	52.32	-	-	17.17	63.65	58.54
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	20.25	80.25	72.41	-	-	18.35	75.38	67.35	-	-	15.25	68.76	52.32	-	-	17.17	63.65	58.54
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	1.79	-	126.97	109.45	-	0.55	-	100.28	85.70	-	1.06	-	61.30	53.00	-	0.40	-	7.94	7.09
24	Other assets: (sum of rows 25 to 29)	552.76	97.93	22.90	26.06	639.31	600.52	88.28	27.04	19.46	676.90	649.60	68.58	21.46	8.49	703.80	677.78	91.04	41.33	20.77	760.87
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	79.95	-	-	-	67.95	98.15	-	-	-	83.43	97.49	-	-	-	82.86	136.86	-	-	-	116.33
27	NSFR derivative assets	-	-	-	-	-	7.90	-	-	-	7.90	0.62	-	-	-	0.62	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	8.28	-	-	-	8.28	5.00	-	-	-	5.00	9.11	-	-	-	9.11	7.95	-	-	-	7.95
29	All other assets not included in the above categories	464.53	97.93	22.90	26.06	563.07	489.47	88.28	27.04	19.46	580.58	542.38	68.58	21.46	8.49	611.21	532.98	91.04	41.33	20.77	636.59
30	Off-balance sheet items	2,769.73	-	-	-	105.38	2,989.20	-	-	-	112.07	3,227.18	-	-	-	119.74	3,265.58	-	-	-	120.10
31	Total RSF	3,344.09	1,281.02	453.27	3,210.22	4,434.00	3,612.39	1,132.09	663.44	3,089.65	4,372.98	3,892.57	1,322.81	589.65	3,033.29	4,438.04	3,964.28	1,141.61	504.05	3,154.45	4,413.53
32	Net Stable Funding Ratio (%)					132.62%					132.25%					130.38%					135.19%

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

3. Investments

i) Composition of Investment Portfolio

(₹ in Crore)

	March 31, 2026							March 31, 2025						
	HTM		AFS	FVTPL		Subsidiaries, Associates & JVs		HTM		AFS	FVTPL		Subsidiaries, Associates & JVs	
	At cost	Fair Value		HFT	non-HFT	At cost	Fair Value	At cost	Fair Value		HFT	non-HFT	At cost	Fair Value
I. Investments in India														
(i) Government securities	1,698.57	1,629.89	385.72	54.24	-			1,622.12	1,621.45	356.54	77.26	-		
(ii) Other approved securities	-	-	-	-	-			-	-	-	-	-		
(iii) Shares	-	-	-	-	-			-	-	-	-	-		
(iv) Debentures and Bonds	-	-	-	1.42	2.62			-	-	-	43.99	3.15		
(v) Subsidiaries, associates and joint ventures						-	-						-	-
(vi) Others	29.62	29.62	-	-	-*			111.78	111.78	-	-	-*		
Total	1,728.19	1,659.51	385.72	55.66	2.62	-	-	1,733.90	1,733.24	356.54	121.25	3.15	-	-
Less: Provisions for impairment / NPI	-	-	-	-	2.62	-	-	-	-	-	-	3.15	-	-
Net	1,728.19	1,659.51	385.72	55.66	-	-	-	1,733.90	1,733.24	356.54	121.25	-	-	-
II. Investments outside India														
(i) Government securities (including local authorities)	-	-	-	-	-			-	-	-	-	-		
(i) Subsidiaries, associates and joint ventures						-	-						-	-
(iii) Other investments	-	-	-	-	-			-	-	-	-	-		
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provisions for impairment / NPI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net -	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total investments (I+II)	**1,728.19**	**1,659.51**	**385.72**	**55.66**	**-**	**-**	**-**	**1,733.90**	**1,733.24**	**356.54**	**121.25**	**-**	**-**	**-**

*FVTPL (including non-HFT) includes Investment in Security Receipts of Rs. 19.24 Crore with 100% provision, accordingly this has been fair valued and reported as Rs. 0 as on March 31, 2026 & March 31, 2025 as per RBI Master Direction RBI/DOR/2025-26/162 DOR.MRG.REC.No.81/00-00-001/2025-26 on Classification, Valuation and Operation of Investment Portfolio revised on November 28, 2025.

ii) Fair value hierarchy of investment portfolio measured at fair value on balance sheet

(₹ in Crore)

	March 31, 2026								March 31, 2025							
	AFS				FVTPL				AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India																
(i) Government securities	-	385.72	-	385.72	54.24	-	-	54.24	60.57	295.97	-	356.54	77.26	-	-	77.26
(ii) Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Debentures and Bonds	-	-	-	-	-	1.42	-	1.42	-	-	-	-	39.58	4.41	-	43.99
(v) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	385.72	-	385.72	54.24	1.42	-	55.66	60.57	295.97	-	356.54	116.84	4.41	-	121.25

	March 31, 2026								March 31, 2025							
	AFS				FVTPL				AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
II. Investments outside India																
(i) Government securities (including local authorities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Other investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total investments (I+II)	-	385.72	-	385.72	54.24	1.42	-	55.66	60.57	295.97	-	356.54	116.84	4.41	-	121.25

iii) iii.Net gains / (losses) on Level 3 financial instruments recognised in AFS-Reserve and Profit and Loss Account

	March 31, 2026	March 31, 2025
Recognised in AFS-Reserve	-	-
Recognised in Profit and Loss Account	-	-

iv. Details of sales made out of HTM

		March 31, 2026	March 31, 2025
A	Opening carrying value of securities in HTM	1,733.90	1,468.31
B	Carrying value of all HTM securities sold during the year	298.93	134.17
C	Less: Carrying values of securities sold under situations exempted from regulatory limit*	215.70	67.16
D	Carrying value of securities sold (D=B-C)	83.23	67.01
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	4.80%	4.56%
	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	5.36	2.63

*The Bank has not sold or transferred securities to or from Held to Maturity (HTM) category exceeding 5% of the book value of investment held in HTM category at the beginning of the financial year. The above threshold of 5% excludes, sale to RBI under pre-announced Open Market Operation auctions and repurchase of Government securities by Government of India.

v. Reclassification between categories of investments

There were no instances in both FY25-26 & FY24-25, where bank had reclassified the investments from one category to another.

vi. Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in Crore)

	Particulars	March 31, 2026	March 31, 2025
1.	Movement of provision held towards depreciation on investments:		
	(i) Opening balance	22.39	23.72
	(ii) Add: Provision made during the year		
	(iii) Less: Write-off/ write-back of excess provision during the year (including depreciation utilized on sale of securities)	0.53	1.33
	(iv) Closing balance	21.86*	22.39*
2.	Movement of Investment Fluctuation Reserve		
	(i) Opening balance	9.55	33.77
	(ii) Add: Amount transferred during the year	-	-
	(iii) Less: Drawdown	-	24.22
	(iv) Closing balance	9.55	9.55
3.	Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL (including HFT) /Current category**	2.16%	2.00%

* includes 100% provision towards Investment in Security Receipts of ₹19.24 Crore (Previous Year : ₹19.24 Crore)

**Net investment is considered

vii. Non-SLR investment portfolio

i) Non-performing non-SLR investments

Movement in non-performing Non SLR Investment is set out below: -

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	3.15	3.63
Additions during the year since 1st April	-	-
Reductions during the above period*	3.15	0.48
Closing balance	-	3.15
Total Provision held	-	3.15

*During FY25-26, bonds have been upgraded from NPI to standard.

ii) Issuer composition of non-SLR investments

The issuer composition of Non-SLR investments of the Bank is given below:

As on March 31, 2026

(₹ in Crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities**	Extent of Unlisted Securities#
1	PSUs	1.42	-	-	-	-
2	Fis	29.62	-	-	-	-
3	Banks	-	-	-	-	-
4	Private Corporates	2.62	-	2.62	-	2.62
5	Subsidiaries/ Joint Ventures	-	-	-	-	-
6	Others*	-	-	-	-	-
7	Provision held towards Depreciation	(2.62)	-	(2.62)	-	(2.62)
	Total	**31.04**	**-**	**-**	**-**	**-**

*This includes security receipts received on sale of assets to ARC of Rs. 19.24 Crore with 100% provision, accordingly this has been fair valued and reported as Rs. 0 as on March 31, 2026 as per RBI Master Direction RBI/DOR/2025-26/162 DOR.MRG.REC.No.81/00-00-001/2025-26 on Classification, Valuation and Operation of Investment Portfolio revised on November 28, 2025.

**Excludes investments in equity shares in line with extant RBI guidelines.

#Excludes investments in equity shares, security receipts, commercial paper and certificates of deposits in line with extant RBI guidelines.

As on March 31, 2025

(₹ in Crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities**	Extent of Unlisted Securities#
1	PSUs	43.99	-	-	-	-
2	Fis	111.78	-	-	-	-
3	Banks	-	-	-	-	-
4	Private Corporates	3.15	-	3.15	-	3.15
5	Subsidiaries/ Joint Ventures	-	-	-	-	-
6	Others*	-	-	-	-	-
7	Provision held towards Depreciation	(3.15)	-	(3.15)	-	(3.15)
	Total	**155.77**	**-**	**-**	**-**	**-**

*This includes security receipt received on sale of assets to ARC

**Excludes investments in equity shares in line with extant RBI guidelines.

#Excludes investments in equity shares, security receipts, commercial paper and certificate of deposits in line with extant RBI guidelines.

a. Repo/ Reverse repo transactions (in face value terms and market Value Terms)

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

(₹ in Crore)

FY 2025-26	Minimum outstanding during the year#		Maximum outstanding during the year		Daily Average outstanding during the year		Balance as at March 31, 2025	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
Securities Sold under Repurchase Transactions*								
(i) Government Securities	5.00	4.91	738.00	737.89	31.73	31.72	-	-
(ii) Corporate Debt Securities	-	-	-	-	-	-	-	-
(iii) Any other securities	-	-	-	-	-	-	-	-
Securities purchased under Reverse Repurchase Transactions*								
(i) Government Securities	95.54	98.14	2,270.18	2,277.74	642.85	652.14	-	-
(ii) Corporate Debt Securities	-	-	-	-	-	-	-	-
(iii) Any other securities	-	-	-	-	-	-	-	-

* Consist of RBI LAF & TREPS disclosed at face value.

NIL outstanding on any day is ignored for reckoning minimum outstanding.

(₹ in Crore)

FY 2024-25	Minimum outstanding during the year#		Maximum outstanding during the year		Daily Average outstanding during the year		Balance as at March 31, 2024	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
Securities Sold under Repurchase Transactions*								
(i) Government Securities	0.30	0.30	625.40	625.17	112.00	111.97	-	-
(ii) Corporate Debt Securities	-	-	-	-	-	-	-	-
(iii) Any other securities	-	-	-	-	-	-	-	-
Securities purchased under Reverse Repurchase Transactions*								
(i) Government Securities	10.07	10.18	1,680.00	1,679.25	604.17	603.22	-	-
(ii) Corporate Debt Securities	-	-	-	-	-	-	-	-
(iii) Any other securities	-	-	-	-	-	-	-	-

* Consist of RBI LAF & TREPS disclosed at face value.

NIL outstanding on any day is ignored for reckoning minimum outstanding

b. Government Security Lending (GSL) Transaction (in market value terms)

The Bank has not entered into any Government Security Lending Transaction during the FY 2025-26 (Previous Year: NIL).

4. Asset quality

a. Classification of advances and provisions held.

(₹ in Crore)

FY 2025-26	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	4,607.68	52.01	37.00	73.91	162.92	4,770.60
Add: Additions during the year					91.10	
Less: Reductions during the year					125.36	

(₹ in Crore)

FY 2025-26	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Closing balance	6,095.16	68.75	49.87	10.03	128.66	6,223.81
Reductions in Gross NPAs due to:						
i) Recoveries (excluding recoveries from upgraded accounts) & Upgradation					100.36	
ii) Technical/ Prudential Write-offs					29.69	
iii) Write-offs other than those under (ii) above					-	
Provisions (excluding Floating/Countercyclical Provisions)						
Opening balance of provisions held	24.27	9.58	33.49	73.91	116.98	141.25
Add: Fresh provisions made during the year					31.29	
Less: Excess provision reversed/ Write-off loans					84.91	
Closing balance of provisions held	39.09	14.31	39.00	10.05	63.36	102.45
Net NPAs						
Opening Balance		42.43	3.51	-	45.94	
Add: Fresh additions during the year					51.66	
Less: Reductions during the year					32.31	
Closing Balance		54.43	10.86	-	65.29	

(₹ in Crore)

FY 2024-25	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	4,647.54	38.43	20.62	64.58	123.63	4,771.17
Add: Additions during the year					70.53	
Less: Reductions during the year					31.24	
Closing balance	4,607.68	52.01	37.00	73.91	162.92	4,770.60
Reductions in Gross NPAs due to:						
i) Recoveries (excluding recoveries from upgraded accounts) & Upgradation					21.41	
ii) Technical/ Prudential Write-offs					9.83	
iii) Write-offs other than those under (ii) above					-	
Provisions (excluding Floating/Countercyclical Provisions)						
Opening balance of provisions held	23.85	12.24	18.15	64.58	94.97	118.82
Add: Fresh provisions made during the year					28.53	
Less: Excess provision reversed/ Write-off loans					6.52	
Closing balance of provisions held	24.27	9.58	33.49	73.91	116.98	141.25
Net NPAs						
Opening Balance		26.19	2.47	-	28.66	
Add: Fresh additions during the year					42.00	
Less: Reductions during the year					24.72	
Closing Balance		42.43	3.51	-	45.94	

(₹ in Crore)

FY 2025-26	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating/Countercyclical Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down/utilized during the year						-
Closing balance of floating provisions						-
Technical/prudential write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						419.79
Add: Technical/ Prudential write-offs during the year						29.69
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						1.40
Closing balance						448.08

(₹ in Crore)

FY 2024-25	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating/Countercyclical Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down/utilized during the year						-
Closing balance of floating provisions						-
Technical/prudential write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						418.15
Add: Technical/ Prudential write-offs during the year						9.83
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						8.19
Closing balance						419.79

Ratios (%)	March 31, 2026	March 31, 2025
Gross NPA to Gross Advances	2.07%	3.42%
Net NPA to Net Advances	1.06%	0.99%
Provision coverage ratio	49.25%	71.80%

b) Sector-wise Advances and Gross NPAs

(₹ in Crore)

Sr. No.	Sector	FY 2025-26			FY 2024-25		
		Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and Allied Activities	1,353.74	-	-	675.91	-	-
2	Advances to industries sector eligible as priority sector lending	220.85	-	-	230.99		- -
	Of Which						
	a. Chemicals and Chemical products	17.58	-	-	52.26	-	-
	b. Leather and Leather products	31.77	-	-	40.50	-	-
	c. Paper and Paper Products	-	-	-	52.26	-	-
3	Services	163.17	0.20	0.12%	199.51	-	-
	Of which						
	a. Trade	17.87	0.20	1.12%	27.36	-	-
	b. Professional	70.39	-	-	96.87	-	-
	Services						
4	Personal loans	87.93	17.67	20.10%	125.58	14.58	11.61%
	Sub-total (A)	**1,825.69**	**17.87**	**0.98%**	**1,231.99**	**14.58**	**1.18%**
B	**Non-Priority Sector**						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	1,765.11	26.97	1.53%	1,064.99	92.50	8.69%
	of which a. Infrastructure	273.71	11.77	4.30%	326.42	75.68	23.18%
	b. Chemical & Chemical Products	158.29	14.77	9.33%	166.56	10.00	6.00%
	c. All engineering	127.22	-	-	131.80	-	-
	d. Manufacturing - Basic Metal and Metal Products	193.97	-	-	157.16	-	-
	e. Food Processing	522.13	0.43	0.08%	34.49	-	-
3	Services	1,933.55	46.95	2.44%	1,610.49	11.41	0.71%
	of which a. Commercial Real Estate	431.52	-	-	437.16	-	-
	b. NBFC	965.01	11.34	1.18%	702.02	11.41	1.63%
	c. Other services	221.09	35.61	16.11%	88.14	-	-
	d. Financial Intermediation	183.21	-	-	217.87	-	-
4	Personal loans	699.46	36.87	5.27%	863.13	44.43	5.15%
	of which a. Other Retail Loans	567.98	26.14	4.60%	691.32	34.99	5.06%
	b. Housing loans	100.66	10.73	10.65%	110.62	9.06	8.19%
	Sub-total (B)	4,398.12	110.79	2.52%	3,538.61	148.34	4.19%
	Total (A+B)	**6,223.81**	**128.66**	**2.07%**	**4,770.60**	**162.92**	**3.42%**

c) Overseas Assets, NPAs and Revenue

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Total Assets	-	-
Total NPAs	-	-
Total Revenue for the year ended	-	-

d) Particulars of resolution plan and restructuring*

Details of Resolution Plan (RP) implemented under Prudential Framework for Resolution of Stressed Assets dated June 07, 2019 are given below. Details of loans restructured under COVID have been provided under Note 4(i).

(₹ in Crore)

		Agriculture & Allied activities		Corporates (Excluding MSME)		Micro, Small & Medium Enterprises		Retail (Excluding Agriculture & MSME)		Total	
		FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Standard	Number of Borrowers	-	-	-	-	-	-	4	-	**4**	-
	Gross Amount	-	-	-	-	-	-	1.20	-	**1.20**	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Sub-standard	Number of Borrowers	-	-	-	-	-	-	1	-	**1**	-
	Gross Amount	-	-	-	-	-	-	0.75	-	**0.75**	-
	Provision held	-	-	-	-	-	-	0.11	-	**0.11**	-
Doubtful	Number of Borrowers**	-	-	-	1	-	-	-	-	-	**1**
	Gross Amount	-	-	-	67.07	-	-	-	-	-	**67.07**
	Provision held	--	-	-	67.07	-	-	-	-	-	**67.07**
Total	**Number of Borrowers**	**-**	**-**	**-**	**1**	**-**	**-**	**5**	**-**	**5**	**1**
	Gross Amount	**-**	**-**	**-**	**67.07**	**-**	**-**	**1.95**	**-**	**1.95**	**67.07**
	Provision held	**-**	**-**	**-**	**67.07**	**-**	**-**	**0.11**	**-**	**0.11**	**67.07**

*Includes NCDs received as part of restructuring plan currently classified as non-performing investment.

**During the year working capital facilities to one large corporate borrower (the Borrower) NPA account up-graded to Standard Account following the implementation of a resolution plan under RBI's June 7, 2019 Prudential framework for resolution of Stressed assets, the Borrower began timely repayments from January 2024 and repaid of its restructured debt. The Borrower also obtained investment-grade ratings, and based on its satisfactory performance, as per applicable RBI guidelines.

e) Divergence in asset classification and provisioning

RBI has directed that banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 5 percent of the reported profit before provisions and contingencies for the reference period or (b) the additional Gross NPAs identified by RBI exceed 5 percent of the published incremental Gross NPAs for the reference period, or both.

No divergence was observed by RBI in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) post their assessment of the books of accounts for the Financial Year 2025-26 which requires such disclosures.

f) Disclosure of transfer of loan exposure

(i) Details of Stressed loans classified as NPA transferred during the year to Asset Reconstruction Companies (ARCs) as given below:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
No. of accounts	1	-
Aggregate principal outstanding of loans transferred	7.03	-
Weighted average residual tenor of the loans transferred*	-	-
Net book value of the loans transferred (at the time of transfer)	5.79	-
Aggregate consideration	6.33	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-

* As the exposure comprised a revolving working capital (cash credit/overdraft) facility and the facility validity had expired prior to the date of transfer, resulting in no residual contractual tenor being available for computation.

(ii) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the year ended March 31, 2026.

(iii) Details of loans not in default acquired during the year through assignment as given below:

Particulars	March 31, 2026	March 31, 2025
Aggregate amounts of loans acquired (Rs. in Crore)	-	50.83
Aggregate consideration paid (Rs. in Crore)	-	40.66
Weighted average residual maturity (in years)	-	2.24
Weighted average holding period by originator (in years)	-	0.67
Retention of beneficial economic interest by the originator	-	20%
Tangible security coverage	-	Unsecured loans
Rating wise distribution of rated loans*	-	Unrated

*The loans are unrated as these are from non-corporate borrowers.

(iv) Details on recovery ratings assigned for Security Receipts as on March 31,2026:

(₹ in Crore)

Recovery Rating^	Anticipated recovery as per recovery rating	March 31, 2026	March 31, 2025
		Book Value**	**Book Value****
India Rating (RR3)/BWRR3	50% - 75%	-	-
RR5/Unrated*	0%-25%	19.24	19.24
Total		**19.24**	**19.24**

^ Recovery rating is as assigned by various external agencies.
*Represents security receipts for which 8 years have been completed.
**The Bank has not made any investment in Security Receipts during the year ended March 31, 2026, and March 31, 2025. Provision against the outstanding Security Receipts as on March 31, 2026 is ₹19.24 Crore (Previous Year: ₹19.24 Crore).

(viii) Non-Fund Based (NFB) Credit Facilities:

(₹ in Crore)

	Recovery Rating^	March 31, 2026		March 31, 2025	
		Secured* Portion	Unsecured Portion	Secured* Portion	Unsecured Portion
I	Outstanding Guarantees				
	i) In India	1,134.32	6.45	882.41	12.18
	ii) Outside India	1,065.14	53.11	690.89	48.33
II	Acceptances, Endorsements and other Obligations	338.82	-	281.87	-
III	Other NFB Credit facilities	312.19	3.22	240.46	2.90

g) Fraud accounts

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Number of loan frauds reported ^	-	1
Amount involved in fraud	-	11.03
Amount involved in fraud net of recoveries/charge-offs as at the end of the year	-	-
Provisions held as at the end of the year	10.00	10.00
Un-amortized provision debited from other reserves	-	-

^The number includes digital payment related frauds, where no loss has been caused to the Bank, reported to RBI pursuant to 13 January 2023 guideline on 'Advisory on Reporting of digital payment related frauds to RBI through FMR'. During FY 2023-24, cases were initially reported under the FMR based on customer complaints of fraud. However pursuant to the RBI's revised Master Direction on Fraud Risk Management for regulated Entities on July 15, 2024, only those cases where the bank has incurred financial loss are required to be reported under FMR. Accordingly, upon review, cases where no financial loss was borne by the bank have been excluded and only 1 case has been reported for FY 2024-25 where bank incurred a loss of ₹11.03 Crore.

h) Disclosure related to project finance:

A bank shall make appropriate disclosures related to project finance as below:

(₹ in Crore)

Sr. No	Item Description	Number of accounts	Total outstanding as on 31st December 2025
1	Projects under implementation accounts at the beginning of the quarter	-	-
2	Projects under implementation accounts sanctioned during the quarter.	4	41.26
3	Projects under implementation accounts where DCCO has been achieved during the quarter	-	-
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	4	41.26
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not presanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-

(₹ in Crore)

Sr. No	Item Description	Number of accounts	Total outstanding as on 31st December 2026
1	Projects under implementation accounts at the beginning of the quarter	4	41.26
2	Projects under implementation accounts sanctioned during the quarter.	10	46.79
3	Projects under implementation accounts where DCCO has been achieved during the quarter	-	-
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	14	88.05
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
5.1	Out of '5' – accounts in respect of which Resolution plan . has been implemented	-	-
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project	-	-

(₹ in Crore)

Sr. No	Item Description	Number of accounts	Total outstanding as on 31st December 2026
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not presanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-

h) COVID-19

Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at are given below:

FY 2025-26

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of March 31, 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2025
Personal Loans	-	-	-	-	-
Corporate Persons*	3.69	-	-	1.88	2.01
Of which, MSMEs	3.69	-	-	1.88	2.01
Others	1.41	0.64	-	0.16	0.68
Total	**5.10**	**0.64**	**-**	**2.04**	**2.69**

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

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of September 30, 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2026
Personal Loans	-	-	-	-	-
Corporate Persons*	2.01	-	-	0.16	1.96
Of which, MSMEs	2.01	-	-	0.16	1.96
Others	0.68	-	-	0.12	0.60
Total	**2.69**	**-**	**-**	**0.28**	**2.56**

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

FY 2024-25

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of March 31, 2024(A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024
Personal Loans	-	-	-	-	-
Corporate Persons*	3.77	-	-	0.24	3.75
Of which, MSMEs	3.77	-	-	0.24	3.75
Others	2.13	-	-	0.22	2.04
Total	**5.90**	**-**	**-**	**0.46**	**5.79**

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

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end March 31, 2025
Personal Loans	-	-	-	-	-
Corporate Persons*	3.75	-	-	0.51	3.69
Of which, MSMEs	3.75	-	-	0.51	3.69
Others	2.04	-	-	0.97	1.41
Total	**5.79**	**-**	**-**	**1.48**	**5.10**

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

5. Exposures

a) Exposure to Real Estate Sector

(₹ in Crore)

Category	March 31, 2026	March 31, 2025
a) Direct Exposure		
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at 31st March, 2026 ₹30.26 crore and as at 31st March, 2025 ₹20.64 crore). Exposure also includes non-fund based (NFB) limits.	369.52	391.25
(ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also includes non-fund based (NFB) limits.	779.89	725.00
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures		
(i) Residential	-	-
(ii) Commercial Real Estate	-	-
b) Indirect Exposure		-
Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)*	39.88	24.42
Total Exposure to Real Estate Sector	**1,189.29**	**1,140.67**

*includes investment exposure

b) Exposure to Capital Market

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
i. Direct investment in equity and preference shares; convertible bonds; convertible debentures; units of non-debt mutual fund schemes; units of REITs and InvITs and units of Alternative Investment Funds (AIFs)	-	-
ii. Advances to individuals for investment in shares (including IPOs/FPOs/ESOPs), convertible bonds, convertible debentures, and units of non-debt mutual fund schemes	-	-
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of non-debt mutual fund schemes are taken as primary security	-	-
iv. Advances for any other purposes to the extent secured by collateral of shares, convertible bonds, convertible debentures or units of non-debt mutual fund schemes, where the advances are extended on the principal strength of such collateral	-	-
v. All credit facilities to Capital Market Intermediaries (CMIs)	78.50	153.40
vi. Acquisition finance Out of (vi) acquisition finance by overseas branches of Indian banks Out of (vi) Bridge Finance for meeting own funds requirement of acquiring companies	-	-
vii. Financing to non-debt mutual fund schemes.	-	-
viii. Bridge finance to companies for meeting upfront contribution to the equity of new companies being set up	-	-
ix. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or bonds where end use is acquisition finance or units of non-debt mutual fund schemes	-	-

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
x. Irrevocable Payment Commitments issued by custodian banks on behalf of its clients in favour of clearing corporations of stock exchanges	-	-
xi. Trade exposures of a bank, which is acting as a clearing member in equity derivative and commodity derivative transactions, to its client, including funded initial margins placed on behalf of clients, where permissible	-	-
Total Exposure to Capital Market	**78.50**	**153.40**

c. Risk category-wise country exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorized into various risk categories listed in the following table.:

(₹ in Crore)

Risk Category	Exposure (net) as at March 31, 2026	Provision held as at March 31, 2026	Exposure (net) as at March 31, 2025	Provision held as at March 31, 2025
Insignificant	25.86	-	39.69	-
Low	3.89	-	2.56	-
Moderately Low	-	-	-	-
Moderate	21.32	-	-	-
Moderately High	-	-	1.39	-
High	-	-	-	-
Very High	-	-	-	-
Total	**51.07**	**-**	**43.64**	**-**

d. Unsecured advances

Unsecured advances have been appropriately classified under 'Schedule 9. Details as per RBI guidelines are as follows:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Total unsecured advances of the bank	165.84	233.87
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

There were no factoring exposures during the current financial year. (Previous Year: NIL)

f. Intra-group exposures

Intra-Group exposures in accordance with RBI guidelines are as follows:

(₹ in Crore)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	Total amount of intra-group exposures	21.27	17.58
2	Total amount of top-20 intra-group exposures	21.27	17.58
3	Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers*	0.20%	0.19%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-

*includes bank exposure

g. Unhedged Foreign Currency Exposure

The Bank closely monitors the unhedged foreign currency exposures of its corporate clients and also factors this risk into the pricing. The information on the unhedged foreign currency exposures of the corporate is obtained on a quarterly basis and riskiness of the same with respect to the USD – INR exchange rate fluctuation is assessed.

As on 31st March 2026, Bank has unhedged foreign currency exposure which is appropriately considered in the computation of credit risk RWA as on 31st March 2026. The Bank addresses the currency induced credit risk in a comprehensive manner and the incremental provisioning and capital held by the Bank on account of the same as on March 31, 2026 is as follows:

Unhedged Foreign Currency Exposure provisions for current year:

(₹ in Crore)

Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2026	Incremental standard advance provision as on March 31, 2026
0 bps	5,649.51	-
10 bps	46.41	0.05
20 bps	256.05	0.51
40 bps	59.99	0.24
60 bps	75.38	0.45
80 bps	7.80	0.06

Unhedged Foreign Currency Exposure provisions for previous year:

(₹ in Crore)

Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2025	Incremental standard advance provision as on March 31, 2025
0 bps	4,217.31	-
10 bps	28.89	0.03
20 bps	178.64	0.36
40 bps	17.59	0.07
60 bps	65.08	0.39
80 bps	100.17	0.80

h. Exposures to Related Parties

(₹ in Crore)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
	A. Loans to Related Parties		
1	Aggregate value of loans sanctioned to related parties during the year	0.80	-
2	Aggregate value of outstanding loans to related parties as on 31st March	0.75	0.09
3	Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March (in %)	0.01	-
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	-	-

*The employment agreements with KMPs, namely the MD & CEO, ED & CFO, Company Secretary, and Head – Treasury, are entered into in the ordinary course of business and on an arm's length basis, in accordance with the Bank's HR Policy. Accordingly, the provisions of Section 188 of the Companies Act, 2013 are not applicable. Further, the compensation payable to these KMPs forms part of the omnibus approval placed before the Audit Committee of the Board (ACB) on a quarterly basis, which has been duly reviewed and approved by the ACB.

6. Concentration of deposits, advances, exposures and NPAs

a. Concentration of Deposits

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Total deposits of twenty largest depositors	2,457.20	1,765.69
Percentage of Deposits to twenty largest depositors to total deposits of the Bank	26.32%	22.93%

b. Concentration of Advances*#

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Total advances to twenty largest borrowers	2,428.92	1,634.94
Percentage of Advances to twenty largest borrowers to total advances of the Bank	22.28%	18.15%

*Excluding banking exposures

#Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI

c) Concentration of Exposures*

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Total Exposures to twenty largest borrowers / customers	2,428.92	1,637.78
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the Bank on borrowers / Customers	22.17%	17.84%

*Excluding banking exposures

d) Concentration of NPA*

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Total Exposure to the top twenty NPA accounts	89.12	125.95
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	69.27%	75.84%

*Represent fund based, non-fund based outstanding and non-performing investments

7. Derivatives

a. Details of derivative portfolio

(₹ in Crore)

FY 2025-26	March 31, 2026			March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Interest Rate Derivatives						
MTM – Assets	-	88.72	-	-	5.22	-
MTM – Liabilities	-	82.66	-	-	12.44	-
Net Gain / Loss recognised in Profit & Loss Account	-	12.22	-	-	(7.48)	-
Exchange Rate Derivatives						
MTM – Assets	-	412.15	-	-	140.68	-
MTM – Liabilities	-	341.05	-	-	142.19	-
Net Gain / Loss recognised in Profit & Loss Account	-	63.56	-	-	71.73	-
Credit Risk Derivatives						
MTM – Assets	-	-	-	-	-	-
MTM – Liabilities	-	-	-	-	-	-
Net Gain / Loss recognised in Profit & Loss Account	-	-	-	-	-	-

FY 2025-26	March 31, 2026			March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Other Derivatives (specify)						
MTM – Assets	-	-	-	-	-	-
MTM – Liabilities	-	-	-	-	-	-
Net Gain / Loss recognised in Profit & Loss Account	-	-	-	-	-	-

b. Forward Rate Agreement / Interest Rate Swap

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
The notional principal of swap agreements	17,354.06	4,257.98
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	108.23	26.14
Collateral required by the Bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (with Banks)	42.11	48.50
The fair value of the swap book [(Payable)/Receivable]	(144.46)	9.20

*Interest rate swaps includes single currency interest rate swaps & cross-currency interest rate swaps

Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps by the Bank

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes over the counter (OTC) derivative transactions for balance sheet management and for proprietary trading/market making. The Bank also offers OTC derivative products to its customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines.

Proprietary trading includes Currency Options, Currency Swaps, Currency Forwards and Interest Rate Swaps under different benchmarks (viz. MIBOR, Modified MIFOR, SOFR, other currency RFRs). The Bank also undertakes transactions in structures such as Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps, Advanced Currency Option Structures, Interest Rate Swaps, Exotic Derivatives and Long-Term Forex Contracts (LTFX) for its customers. These transactions expose the Bank to various risks, primarily credit, market, legal, reputation and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. These limits are set up considering market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, VaR, Stop Loss, Delta, Gamma and Vega. Actual positions are monitored against these limits on a daily basis and breaches, if any, are dealt with in accordance with board approved ALM policy. Risk assessment of the portfolio is undertaken periodically. The Bank ensures that the Gross PV01 (Price value of a basis point) position arising out of all non-option rupee derivative contracts are within 0.25% of net worth of the Bank as on Balance Sheet date.

All the derivative transactions in the trading book, including FX forwards are marked to market except the transactions that take place in form of funding swaps in banking book for hedging purposes, which are valued on carrying cost. For valuations purposes, bank is using Fair valuation policy.

The bank is calculating Market risk in the form of Market risk capital charge for all the interest rate sensitive derivative instruments on daily basis.

The credit risk in respect of customer derivative transactions is sought to be mitigated through a laid down policy i.e. counterparty credit risk policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalation/ margin calls/termination.

c. Exchange Traded Interest Rate Derivatives

(₹ in Crore)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
i	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	-	-
ii	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	-	-
iii	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-

d. Disclosures on risk exposure in derivatives

1. Qualitative Disclosures

The structure and organization for management of risk in derivatives trading:

Treasury operation is segregated into three different department's viz. front office, mid office and back office. The primary role of front office is to conduct business, that of mid office is to ensure compliance in accordance with set norms and policies and that of back office is to process/settle the transactions.

The Bank has in place policies and procedures, which have been approved by Board of Directors, to ensure adherence to various risk parameters and prudential limits.

The scope and nature of risk measurement, risk reporting and risk monitoring systems:

i. Risk Measurement:

For foreign exchange contracts, risk is measured through a daily report called, Value at Risk (VAR), which computes VAR on the forex, gaps using FEDAI VAR factors. In addition, the Bank has set its Risk Appetite in the form of Stop Loss and Counterparty Exposure Limit.

ii. Risk Reporting and Risk monitoring systems:

The Bank has the following reports/systems in place, which are reviewed by the top management:

- VAR
- Net Overnight Open Position
- Aggregate Gap Limit (AGL)/Individual Gap Limit (IGL)
- Stop loss limits

iii. The Bank has the following policy paper in place, and approved by Board:

- Market Risk Policy
- Investment and Trading Policy
- Asset-Liability Management (ALM) policy

Accounting Policy:

All outstanding derivatives transactions (forex forwards, currency swap, interest rate swap and options excluding spot for banking and Trading deals are considered as derivatives in the book of the Bank) are booked as off-balance sheet items. The trading positions are revalued on a marked to market basis whereas the funding/investment swaps follow the accrual basis of accounting.

2. Quantitative Disclosures

(₹ in Crore)

Sr. No.	Particulars	March 31, 2026				March 31, 2025			
		Currency Derivatives			Interest Rate Derivatives	Currency Derivatives			Interest Rate Derivatives
		FX Forwards	Cross currency swap	FX Options		FX Forwards	Cross currency swap	FX Options	
1	Derivatives notional Principal Amount	10,512.62	2,324.80	109.06	15,029.26	9,067.87	1,258.08	405.15	2,999.90
	(a) For hedging	2,115.87	-	-	-	1,421.81	-	-	-
	(b) For trading	8,396.75	2,324.80	109.06	15,029.26	7,646.06	1,258.08	405.15	2,999.90
2	Marked to Market position								
	(a) Asset (+)	388.30	19.51	4.35	88.72	118.50	20.92	1.25	5.22
	(b) Liability (-)	168.43	170.02	2.60	82.66	136.31	4.51	1.36	12.44
3	Credit Exposure	562.14	115.44	5.44	153.21	415.36	139.90	12.77	31.19
4	Likely impact of one percentage change in Interest Rate (100*PV01)*								
	(a) On hedging derivatives	10.73	-	-	-	10.31	-	-	-
	(b) On trading derivatives	18.36	(10.40)	-	23.78	2.12	(14.68)	-	15.58
5	Maximum and Minimum of 100*PV01 observed during the year								
	(a) On hedging	-	-	-	-	-	-	-	-
	Maximum	13.98	-	-	-	17.10	-	-	-
	Minimum	8.23	-	-	-	10.29	-	-	-
	(b) On trading	-	-	-	-	-	-	-	-
	Maximum	20.51	(9.65)	-	27.37	3.57	(0.06)	-	16.38
	Minimum	1.62	(18.95)	-	10.38	(0.92)	(15.75)	-	(2.58)

*Amounts represent the loss which the Bank may suffer on account of change in interest rate by 1%

d. Credit default swaps

The Bank has not dealt in any Credit Default Swaps during the financial year. (Previous Year: NIL)

8. Disclosures relating to securitisation

The Bank has not sponsored any SPVs for securitization transactions during the year and there is no securitization transaction outstanding as at March 31, 2026. (Previous Year: NIL)

9. Off balance sheet SPVs sponsored

There have been no Off-balance sheet SPVs sponsored during the financial year. (Previous Year: NIL)

10. Transfers to Depositor Education and Awareness Fund (DEAF)

The details of amount transferred during the respective year to DEAF are as under

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Opening balance of amounts transferred to DEAF	0.81	0.80
Add: Amounts transferred to DEAF during the year	0.12	0.01
Less: Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	**0.93**	**0.81**

11. Disclosure of Complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

(₹ in Crore)

Sr. No.	Particulars	FY 2025-26	FY 2024-25
Complaints received by the bank from its customers			
1	Number of complaints pending at the beginning of the year	160	35
2	Number of complaints received during the year	5608	3125
3	Number of complaints disposed during the year	5611	3000
	3.1 - Of which, number of complaints rejected by the bank	-	-
4	Number of complaints pending at the end of the year	157	160
Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	214	345
	5.1 - Of 5, number of complaints resolved in favor of the bank by Bos	193	309
	5.2 - Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Bos	21	36
	5.3 - Of 5, number of complaints resolved after passing of awards by BOs against the bank	-	-
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.

FY 2025-26

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**
Account Opening and Operations	44	2,612	132.59%	62	9
Credit Cards	12	2,452	267.07%	54	6
Internet Banking & Mobile Banking	4	257	267.14%	8	1
ATM / Debit Cards	90	127	(87.81%)	4	-
Loans and advances	-	64	100.00%	23	-
Others	10	96	(56.76%)	6	-
Total	**160**	**5,608**	**79.46%**	**157**	**16**

FY 2024-25

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
Account opening/difficulty in operation of accounts	21	1,123	(25%)	44	-
ATM / Debit Cards	8	1042	69%	90	-
Credit Cards	2	668	735%	12	-
Internet / Mobile / Electronic Banking	-	70	(94%)	4	-
Levy of charges without prior notice / excessive charges / foreclosure charges	-	23	100%	3	-
Others	4	199	221%	7	-
Total	**35**	**3,125**	**(12%)**	**160**	**-**

12. Disclosure of Penalties imposed by RBI

During FY 2025-26, there were no instances of Penalties imposed by the RBI under the provisions of the Banking Regulation Act, 1949, Payment and Settlement Systems Act, 2007, or Government Securities Act, 2006. (Monetary penalties imposed by RBI in FY 2024-25: INR 88.70 Lacs)

Additional provision as advised by RBI for Non-compliance of automation of IRAC

As on March 31, 2026 the Bank has maintained provision of ₹4.17 Crore (Previous Year: ₹4.17 Crore) as advised by RBI vide it's letter dated March 13, 2023 for non-compliance of guidelines of IRAC automation. Accordingly, no additional provision made during the FY 2025-26.

13. Disclosure on Remuneration

Qualitative disclosures	
(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee.	The Nomination and Remuneration Committee (NRC) is responsible for providing oversight of the appointment/re-appointment and remuneration of senior management and other key personnel and ensuring that their compensation is consistent with the legal and regulatory framework, Bank's culture, objectives, strategy and control environment. The NRC is also responsible for providing assessment of board effectiveness and directing the process of renewing and replacing board members. It is responsible for remuneration, succession planning and other board concerns. The members of the Committee are given below: 1. Ms. Pallavi Kanchan, Chairperson 2. Mr. Abizer Diwanji, Member 3. Mr. Sanjeev Lall, Member 4. Mr. Mahendra Vikramdass Punchoo, Member

Qualitative disclosures	
(b) Information relating to the design and structure of remuneration processes and the key features and objectives of Remuneration policy.	The Bank follows the following practices and principles in designing and structuring the remuneration process: A focus on long-term, risk-adjusted performance and reward mechanism by focusing on performance of the individual employee, the relevant line of business or function and the Bank as a whole. It seeks to drive accountability, and co-relate risk, financial performance and compensation. Key features and objectives of Remuneration policy are: The bank follows a Cash plus Benefits (Fixed Pay plus Benefits) approach in its Compensation framework by providing competitive level of compensation to attract and retain qualified and competent staff members. The compensation should be adjusted for all types of risk. The policy was last reviewed in June 2025. New benefits introduced by the Bank were included in the Compensation policy. In case of Risk and Compliance staff, the mix of fixed and variable compensation is weighted in favour of fixed compensation.
(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Bank has in place a robust risk and performance management system to capture, monitor, and control the risks created by its business activities. The goal is to not only manage the risks of the bank, but also to create a culture of risk awareness, risk quantification and measurement and personal accountability. It seeks to ensure that the potential for any risk-taking by any individual, group, or business is controlled.
(d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.	In determining total compensation, the bank considers the overall scope of an employee's responsibilities, the performance history of the individual with the Bank, comparisons with other staff within the bank, external market compensation, and the overall performance of the function and the Bank as whole.
(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.	The bank is currently unlisted, with plans of listing at an appropriate time. Till that time, the long-term incentives (LTI) will be paid as a cash payout to a limited number of eligible employees (MRTs & WTD) as decided by the Board and the following RBI guideline will apply: In terms of RBI circular RBI/DOR/2025-26/149 on Compensation dated November 28, 2025 Chapter-III Private Sector Banks Clause 'H'- 62- "only in cases where the compensation by way of share-linked

Qualitative disclosures	
	instruments is not permitted by law/regulations, the entire variable pay can be in cash"; and as per Clause (3) B. iii "in the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed p.a., but shall not be less than 50% of the fixed pay." The other relevant provisions in respect of variable pay such as deferral, vesting, malus/claw-back, etc. would be as per the RBI Guidelines. At least 50% of the cash variable will be deferred. The deferral period of variable pay will be decided based on evaluation at the end of Annual performance cycle each calendar year and will be between 3 to 5 years Post listing, in the eventuality of the Bank's equity shares being listed in the stock exchange(s), the Bank will use a Share-linked long term incentive to help drive a 'pay for performance' culture and link employees' individual wealth creation to the organizational success. In such case, the deferred pay due to the employee shall be converted to non-cash component with immediate effect. In the event of negative contributions of the bank in any year, the deferred compensation will be subject to malus arrangements which permits the bank to prevent vesting of all or part of the amount of a deferred remuneration, but it does not reverse vesting after it has already occurred.
(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.	There will be a proper balance between the fixed and the variable pay. The proportion of variable pay will be higher at higher levels of responsibility and could be in cash, or stock linked instruments or mix of both. Annual Bonus - The Variable bonus will be paid out of a budgeted provision, but actual payouts will be determined on the basis of Bank's/ Department's/ Individual performance. The parameters for eligibility will be informed each year to the staff members. The plan will exclude those who are not on payrolls at the end of the year or in the notice period at the time of payment of Bonus. The other relevant provisions in respect of variable pay

Qualitative disclosures	
	such as deferral, vesting, malus/claw-back, etc. would be as per the RBI Guidelines. At least 50% of the cash variable will be deferred. The deferral period of variable pay will be decided based on evaluation at the end of Annual performance cycle each calendar year and will be between 3 to 5 years. In cases where the cash component of variable pay is under ₹25 lakh, deferral requirements would not be necessary. Post listing, in the eventuality of the Bank's equity shares being listed in the stock exchange(s), the Bank will use a Share-linked long-term incentive to help drive a 'pay for performance' culture and link employees' individual wealth creation to the organizational success. In such case, the deferred pay due to the employee shall be converted to non-cash component with immediate effect.

			March 31, 2026	March 31, 2025
Quantitative disclosures	**(g)**	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	3 meetings held and ₹0.09 Crore remuneration paid.	8 meetings held and ₹0.18 Crore remuneration paid.
	(h)	i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on/joining bonus made during the financial year. (iii) Details of severance pay, in addition to accrued benefits, if any.	3 - -	1 - -
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	₹1.76 Crore ₹0.40 Crore	₹0.71 Crore 0₹.09 Crore

<table>
<tr><th></th><th></th><th></th><th>March 31, 2026</th><th>March 31, 2025</th></tr>
<tr><td></td><td>(j)</td><td>Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred</td><td>MD & CEO, ED & CFO
Chief Operations Officer, & CIO
Head – Corporate Banking
Head – Retail Banking
Head – Treasury
(₹ in Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Pay</td><td>9.62</td></tr>
<tr><td>Variable</td><td>1.53</td></tr>
<tr><td>PF</td><td>0.48</td></tr>
<tr><td>NPS</td><td>0.00</td></tr>
<tr><td>Perquisites</td><td>0.01</td></tr>
<tr><td>PF Perk</td><td>0.07</td></tr>
<tr><td>PF Interest Perk</td><td>0.01</td></tr>
<tr><td>Gratuity</td><td>0.00</td></tr>
<tr><td>TOTAL</td><td>11.72</td></tr>
<tr><td>Deferred Pay - to be paid in Apr 2026, 2027 & 2028</td><td>1.76</td></tr>
</table></td><td>MD & CEO
Chief Operations Officer & CIO
Head – Corporate Banking
Head – Retail Banking
Head – Treasury
(₹ in Crore)
<table>
<tr><th>Particulars</th><th>Total</th></tr>
<tr><td>Pay</td><td>8.96</td></tr>
<tr><td>Variable</td><td>0.09</td></tr>
<tr><td>PF</td><td>0.44</td></tr>
<tr><td>NPS</td><td>0.00</td></tr>
<tr><td>Perquisites</td><td>0.01</td></tr>
<tr><td>PF Perk</td><td>0.05</td></tr>
<tr><td>PF Interest Perk</td><td>0.01</td></tr>
<tr><td>Gratuity</td><td>0.20</td></tr>
<tr><td>TOTAL</td><td>9.76</td></tr>
<tr><td>Deferred Pay - to be paid in Apr 2025, 2026 & 2027</td><td>0.71</td></tr>
</table></td></tr>
<tr><td></td><td>(k)</td><td>(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.
(ii) Total amount of reductions during the financial year due to ex post explicit adjustments.
(iii) Total amount of reductions during the financial year due to ex post implicit adjustments</td><td>0.31
0.31
-</td><td>-
-
-</td></tr>
<tr><td></td><td>(l)</td><td>Number of Material Risk Takers (MRTs) identified.</td><td>10 (7 Positions and 10 persons)
MD & CEO, Ex- MD & CEO, ED & CFO, Head – Treasury, Ex-Head- Operation, Head – Retail Banking, Ex-Dy. CEO & Head of Business, Head – Corporate Banking, Head- Operation, Head -IT</td><td>9(7 positions and 9 persons)
MD & CEO, ED & CFO, Head – Treasury, Head- Operation, Head – Retail Banking, Ex-Dy. CEO & Head of Business, Head – Corporate Banking, Head -IT, Ex Head – Retail Banking</td></tr>
</table>

<table>
<tr><th></th><th></th><th></th><th>March 31, 2026</th><th>March 31, 2025</th></tr>
<tr><td></td><td>(m)</td><td>a. Number of cases where malus has been exercised.
b. Number of cases where clawback has been exercised.
c. Number of cases where both malus and clawback have been exercised.</td><td>2
-
-</td><td>2
-
-</td></tr>
<tr><td>General Quantitative Disclosure</td><td>(n)</td><td>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</td><td><table><tr><th>Particulars</th><th>₹ in Crore</th></tr><tr><td>Mean salary + Perk</td><td>0.14</td></tr><tr><td>WTD's salary + Perk</td><td>5.36</td></tr><tr><td>Difference / deviation in ₹</td><td>5.22</td></tr></table></td><td><table><tr><th>Particulars</th><th>₹ in Crore</th></tr><tr><td>Mean salary + Perk</td><td>0.13</td></tr><tr><td>WTD's salary + Perk</td><td>4.14</td></tr><tr><td>Difference / deviation in ₹</td><td>4.01</td></tr></table></td></tr>
</table>

14. Other disclosures

a. Business ratios

Particulars	March 31, 2026	March 31, 2025
Interest Income as a percentage to Working Funds*	7.87%	8.28%
Non-Interest Income as a percentage to Working Funds*	1.92%	1.96%
Cost of Deposits	7.08%	7.04%
Net Interest Margin##	1.83%	2.30%
Operating Profit as a percentage to Working Funds*	(0.19)%	(0.70)%
Return on Assets**	(0.15)%	(0.98)%
Business (Deposits plus Advances) per employee (₹in Crore) #	19.68	17.36
Profit / (Loss) per employee (₹in Crore)	(0.02)	(0.13)

* Working Funds represent monthly average of total assets (excluding accumulated losses) during the year as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949.
** Return on Assets is computed with reference to Average Working Funds (excluding accumulated losses).
# Deposits exclude inter-bank deposits.
##Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense
- All ratios are annualized

b. Bancassurance business

The details of fees/brokerage earned in respect of insurance broking, agency and bancassurance business by the Bank are as under:

(₹ in Crore)

Sr. No.	Nature of Income	March 31, 2026	March 31, 2025
1	For selling life insurance policies	6.16	0.79
2	For selling non-life insurance policies	0.65	0.52
3	For selling mutual fund products (Includes Alternative Investment Funds)	0.64	1.86
4	Others	0.03	-

c. Marketing and distribution

There are no fees/remuneration received in respect of marketing and distribution function during the financial year.

d. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The amount of PSLCs (category wise) sold and purchased during the year:

(₹ in Crore)

Sr. No.	Type of PSLCs	March 31, 2026		March 31, 2025	
		Purchase	Sale	Purchase	Sale
1	PSLC – Agriculture	320.00	-	250.00	-
2	PSLC - SF / MF	-	755.00	-	150.00
3	PSLC - Micro Enterprises	400.00	-	300.00	-
4	PSLC – General	350.00	-	300.00	-
	TOTAL	**1,070.00**	**755.00**	**850.00**	**150.00**

e. Provisions & Contingencies

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Provision towards Non-Performing Assets (including write-off and recoveries)*	(18.60)	24.21
Provision for Standard Assets	14.82	0.42
Provision for Income Tax (including Deferred Tax)	-	-
Provisions for diminution in fair value Restructured Advances	-	-
Provision for Country Risk	-	-
Provisions for Non-Performing Investment (including write-off and recoveries)	-	-
Total	**(3.78)**	**24.63**

*During FY 25-26 there is net release in provision.

f. Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Subsequently, the roadmap issued on January 18, 2016, envisaged adoption of Ind AS by banks from April 1, 2018. However, due to pending legislative amendments required to align the financial statement formats prescribed under the Banking Regulation Act, 1949 with Ind AS requirements, the Reserve Bank of India (RBI), vide its circular dated March 22, 2019, deferred the implementation of Ind AS for banks until further notice.

In the interim, the RBI has undertaken significant regulatory reforms aimed at progressive convergence with global financial reporting standards (notably IFRS 9 / Ind AS 109) through enhancements in prudential frameworks.

These include the issuance of the:

- Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023, effective April 1, 2024.
- Commercial Banks – Asset Classification, Provisioning, and Income Recognition Directions, 2026, introducing an Expected Credit Loss (ECL) framework.

These regulatory developments indicate that, although formal Ind AS implementation for banks remains deferred, substantive elements of IFRS 9—particularly fair valuation of investments and forward-looking impairment (ECL)—are being progressively embedded within the prudential framework. This calibrated approach is expected to facilitate a smoother transition while enhancing the transparency and resilience of the banking system.

In line with this direction, the Bank has implemented the Investment Portfolio Directions, 2023 with effect from April 1, 2024, and continues to submit proforma Ind AS financial statements to the RBI on a half-yearly basis in accordance with extant regulatory guidelines, as part of its preparedness for eventual Ind AS adoption.

g. Payment of DICGC Insurance Premium

(₹ in Crore)

Sr. No.	Particulars	31 March, 2026	31 March, 2025
i)	Payment of DICGC Insurance Premium	10.01	9.41
ii)	Arrears in payment of DICGC premium	-	-

h. Disclosure of Letters of Comforts (LoCs) issued by banks

The Bank has not issued any Letters of Comforts during the FY 2025-26 (Previous Year: NIL).

i. Portfolio-level information on the use of funds raised from green deposit

The bank has not raised funds from green deposit in FY 2025-26 (Previous Year: NIL).

15. Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax 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.
2	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4	Other items for which the Bank is contingently liable	- Purchase of securities pending settlement - Capital Commitments - Amount deposited with RBI under Depositors Education and Awareness Fund - Others including regulatory notices

Refer Schedule 12 for amounts relating to contingent liability

16. Contingent Liabilities

Claims against the Bank not acknowledged as Debts' item of Contingent Liability includes Income Tax of ₹ 4.78 Crore (Previous Year: ₹ 4.09 Crore) and Service tax of ₹ 0.22 Crore (Previous Year: ₹ 0.22 Crore). The Bank has gone in appeal to Income Tax Appellate Tribunal (ITAT) and High Court against the income tax assessment order of the department for AY 1999-00 to 2008-09 and CIT(Appeals) for AY 2022-23 & AY 2023-24. The appeals are pending for the final outcome from the CIT(A) and high court and the Bank is expecting favorable judicial decisions. For Service tax, the bank has filed responses to Custom, Excise & Service Tax Appellate Tribunal (CESTAT) on January 31, 2019, and the bank is expecting favorable judicial order.

17. Provision for Long Term contracts

The Bank has assessed its long-term contracts (including Derivative Contracts) as at March 31, 2026 and has not identified any material foreseeable losses requiring provision in accordance with the applicable accounting standards. Accordingly, no provision is required to be recognized in respect of such contracts.

18. Deferred Tax

In accordance with AS-22 on "Accounting for Taxes on Income", the Bank has recognized Deferred Tax Assets on such timing differences where there is a reasonable certainty that such deferred tax assets can be reversed against the deferred tax liability. Deferred tax asset on accumulated carry forward business losses and depreciation is not recognized as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

The major composition of Deferred Tax Liabilities (DTL) & Deferred Tax Assets (DTA) is as under:

(₹ in Crore)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
A.	**DTA**		
(i)	Provision for Loan Losses, Floating Provision and counter cyclical provision	2.56	4.79
(ii)	Provision for Standard Advances	1.58	0.99
(iii)	Provision for Funded Interest Term Loan	-	-
(iv)	Disallowed Expenses	0.78	0.79
(v)	Unabsorbed Losses	-	-
	Total DTA	**4.92**	**6.57**
B.	**DTL**		
(i)	Depreciation on Fixed Assets	(4.92)	(6.57)
	Total DTL	**(4.92)**	**(6.57)**
C.	**NET DTL / (DTA)**	-	-

19. Segment Reporting

Part A: Business Segments

In accordance with RBI guidelines, the Bank has identified the following three primary segments: Treasury, Corporate Banking and Retail Banking. These segments are identified based on nature of services provided, risk and returns, organizational structure of the Bank and the internal financial reporting system.

Treasury Operations: Undertakes Derivative Trading, Money Market Operations and Investment in Bonds, Treasury Bills, Government Securities, CP, CD and Foreign Exchange Operations. The revenue of this segment consists of interest earned on funding, investment income and gains on Government Securities, CP, CD's and debentures/ bonds, profit/loss on exchange and derivative transactions. The principal expenses of this segment consist of cost of funds, personnel cost, other direct overheads and allocated expenses.

Corporate Banking: Primarily comprises of funded advances to Corporate. Revenue of this segment consists of interest earned on loans made to corporate clients, interest earned on cash float and fees received from fee-based activities like letter of credit, guarantee etc. The principal expenses of this segment consist of interest cost on funds borrowed allocated based on personnel costs and allocated expenses.

Retail Banking: Consists of revenue arising out of personal loan, housing loan and other retail products. This also includes revenue arising out of digital & payments services.

As per the RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment Reporting', 'Digital Banking' has been identified as a sub-segment of the existing 'Retail Banking' segment by Reserve Bank of India (RBI). The Bank has not set up any Digital banking units (DBUs) as mentioned in the above referred RBI circular; hence NIL is reported as DBU. Accordingly, the bank has only disclosed existing digital banking products, under the Digital Banking as a sub segment within Retail banking segment.

FY 2025-26

(₹ in Crore)

Business Segments	Corporate	Treasury	Retail		Other Banking	Total
			Other Retail	Digital Banking		
Revenue	575.75	252.56	157.24	76.64	-	1,062.19
Results	160.09	(59.25)	(51.16)	(65.17)	-	(15.49)
Unallocated Revenue / (Expenses)						0.01
Operating Profit						(15.48)
Income Taxes						-
Extraordinary Profit / Loss						-
Net profit / (Loss)						**(15.48)**
Other Information						-
Segment Assets	5,519.59	4,942.21	788.23	113.73	-	11,363.76
Unallocable Assets						80.98
Total Assets						**11,444.74**
Segment liabilities	5,145.83	1,006.35	3,706.43	774.93	-	10,633.54
Unallocable Liabilities						811.20
Total Liabilities						**11,444.74**
Capital expenditure during the year						18.33
Depreciation expenditure during the year						32.05

FY 2024-25

(₹ in Crore)

Business Segments	Corporate	Treasury	Retail		Other Banking	Total
			Other Retail	Digital Banking		
Revenue	500.56	250.05	148.31	76.02	-	974.94
Results	75.13	(26.38)	(50.21)	(87.88)	-	(89.34)
Unallocated Revenue / (Expenses)						2.14
Operating Profit						(87.20)
Income Taxes						-
Extraordinary Profit / Loss						-

(₹ in Crore)

Business Segments	Corporate	Treasury	Retail		Other Banking	Total
			Other Retail	Digital Banking		
Net profit / (Loss)						**(87.20)**
Other Information						-
Segment Assets	3,927.04	4,553.62	885.13	149.56	-	9,515.35
Unallocable Assets						67.90
Total Assets						**9,583.25**
Segment liabilities	3,900.98	831.34	3,137.16	709.97	-	8,579.45
Unallocable Liabilities						1,003.80
Total Liabilities						**9,583.25**
Capital expenditure during the year						37.35
Depreciation expenditure during he year						30.22

Part B: Geographic Segments

The Bank operates as a single unit in India and as such has no identifiable geographical segments subject to dissimilar risks and returns. Hence, no information relating to geographical segments are presented.

Notes for segment reporting:

1. In computing the above information, certain estimates and assumptions have been made by the management and have been relied upon by the auditors.
2. Assets, liabilities, income and expenses which cannot be allocated to any segments have been classified as unallocated.

20. Disclosure under Employee Benefits – Revised Accounting Standard 15

a) The contribution to employees Provident Fund amounted to ₹6.90 Crore for the year ended March 31, 2026. (Previous Year: ₹6.92 Crore).

b) The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes' on 21st November, 2025. Accordingly, the Bank has assessed the impact of these changes and based on certain estimates and actuarial valuation, The provision for the year ended 31st March, 2026 is being provisioned accordingly. The impact will be further re-assessed and finalised based on the final rules and industry practices.

c) The Bank does not have pension scheme for its employees. However, the Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognizes such contributions as an expense in the year when an employee renders the related service. Such contribution for the year is ₹0.58 Crore (Previous Year: ₹0.70 Crore).

d) As per the actuarial valuation, the Bank expects to contribute Rs. 1.50 Crore to gratuity fund in financial year 2026 - 2027.

I) Change in the Present value of Projected Benefit Obligation:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Present Value of Benefit Obligation at the Beginning of the year	14.31	11.63
Interest Cost	0.98	0.84
Current Service Cost	3.05	4.09
(Benefit paid from the Fund)	(2.61)	(1.52)
Past Service Cost	0.01	-
Liability Transferred In/ Acquisitions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(1.76)	(0.03)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1.01	1.20
Actuarial (Gains)/Losses on Obligations - Due to Experience	(1.56)	(1.90)
Present Value of Benefit Obligation at the End of the year	13.43	14.31

II) Change in the Fair Value of Plan Assets:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Fair Value of Plan Assets at the Beginning of the year	11.79	8.98
Expected Return on Plan Assets	0.76	0.65
Contributions by the Employer	1.10	3.08
Assets Transferred In/Acquisitions	-	-
(Benefit Paid from the Fund)	(2.61)	(1.52)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	0.06	0.60
Fair Value of Plan Assets at the End of the year	11.10	11.79

III) Actuarial (Gains)/Losses Recognized in the Profit and Loss Account:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Actuarial (Gains)/Losses on Obligation for the year	(2.31)	(0.73)
Actuarial (Gains)/Losses on Plan Asset for the year	(0.06)	(0.60)
Actuarial (Gains)/Losses Recognized in the Profit or Loss Account	(2.37)	(1.33)

IV) Actual Return on Plan Assets:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Expected Return on Plan Assets	0.76	0.65
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	0.06	0.60
Actual Return on Plan Assets	0.82	1.25

V) Amount Recognized in the Balance Sheet:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
(Present Value of Benefit Obligation at the end of the year)	(13.43)	(14.31)
Fair Value of Plan Assets at the end of the year	11.10	11.79
Funded Status (Surplus/ (Deficit))	(2.33)	(2.52)
Unrecognized Past Service Cost at the end of the year	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	**(2.33)**	**(2.52)**

Vi) Net Interest Cost:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Present Value of Benefit Obligation at the Beginning of the year	14.31	11.63
(Fair Value of Plan Assets at the Beginning of the year)	(11.79)	(8.98)
Net Liability/(Asset) at the Beginning	**2.52**	**2.65**
Interest Cost	0.98	0.84
(Expected Return on Plan Assets)	(0.76)	(0.65)
Net Interest Cost for Current Year	**0.22**	**0.19**

VII) Expenses Recognized in the Profit or Loss Account:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Current Service Cost	3.05	4.09
Net Interest Cost	0.22	0.19
Actuarial (Gains) / Losses	(2.37)	(1.33)
Past Service Cost - Vested Benefit Recognized During the year	0.01	-
Expenses Recognized in the Profit or Loss Account	**0.91**	**2.95**

VIII) Balance Sheet Reconciliation:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Opening Net Liability	2.52	2.65
Expense Recognized in Profit or Loss Account	0.91	2.95
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(1.10)	(3.08)
Net Liability/(Asset) Recognized in the Balance Sheet	**2.33**	**2.52**

IX) Category of Assets:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	11.10	11.79
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	**11.10**	**11.79**

Actuarial assumptions:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Expected Return on Plan Assets	7.00%	6.73%
Rate of Discounting	6.55%	6.73%
Rate of Salary Increase	10.37%	7.64%
Rate of Employee Turnover	28.57%	7.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

Experience Adjustments:

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Plan Assets	11.10	11.79
Defined Benefit Obligation	13.43	14.31
Surplus / (Deficit)	(2.33)	(2.52)
Experience adjustment gain / (loss) on plan assets	0.06	0.60
Experience adjustment gain / (loss) on plan liabilities	(1.56)	(1.90)

21. Related Party Transactions

Related Party Transactions in terms of AS-18 on "Related Party Disclosures" are disclosed below:

1	Ultimate Parent	SBM Holdings Limited
2	Parent	SBM (Bank) Holdings Limited
3	Subsidiaries of Parent	SBM Bank (Mauritius) Limited SBM Bank (Kenya) Limited SBM Holdings Ltd SBM (Bank) Holdings Ltd SBM Overseas One Ltd SBM Overseas Two Ltd SBM Overseas Three Ltd SBM Overseas Four Ltd SBM Overseas Five Ltd SBM Overseas Six Ltd Banque SBM Madagascar SA SBM Africa Holdings Ltd SBM (NBFC) Holdings Ltd SBM Factors Ltd SBM Insurance Agency Ltd SBM eBusiness Ltd SBM Fund Services Ltd SBM Capital Markets Ltd SBM Mauritius Asset Managers Ltd SBM Africa Equity Fund Ltd SBM (NFC) Holdings Ltd SBM 3S Ltd
4	Key Management Personnel	a. Managing Director & Chief Executive Officer – Mr. Ashish Vijayakar b. Executive Director & Chief Financial Officer –Mr. Amit Jagdhari c. Company Secretary – Mr. Mehul Somaiya d. Head of Treasury – Mr. Mandar Pitale

Transactions during the FY 2025-26:

(₹ in Crore)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance
Liabilities								
Deposit	-	-	93.72	95.10	0.37	1.05	94.09	96.15
Borrowings	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-	-
MTM loss on FX forwards	-	-	-	0.24	-	-	-	0.24
Other Payable	8.68	10.32	-	-	-	-	8.68	10.32
Total	**8.68**	**10.32**	**93.72**	**95.34**	**0.37**	**1.05**	**102.77**	**106.71**
Assets								
Lending	-	-	-	-	0.75	0.80	0.75	0.80
Balances with Bank	-	-	1.16	6.03	-	-	1.16	6.03
Interest receivable	-	-	-	-	0.03	0.03	0.03	0.03
MTM gain on FX forwards	-	-	-	0.10	-	-	-	0.10
Other Receivable	-	-	-	-	-	-	-	-
Total	**-**	**-**	**1.16**	**6.13**	**0.78**	**0.83**	**1.94**	**6.96**
Off-Balance Sheet items								
FX Forwards	-	-	-	74.39	-	-	-	74.39
Total	**-**	**-**	**-**	**74.39**	**-**	**-**	**-**	**74.39**

(₹ in Crore)

Particulars	Parent	Subsidiaries of the Parent	Key Management Personnel	Total
Profit & Loss Account Items				
Interest Received	-	-	0.03	**0.03**
Other Income	-	-	-	**-**
Interest Paid	-	-	0.02	**0.02**
Fees Paid	-	-	-	**-**
Salary Cost	-	-	7.19	**7.19**
Management and other reimbursement expenses	4.79	-	-	**4.79**

Transactions during the FY 2024-25:

(₹ in Crore)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance
Liabilities								
Deposit	-	-	9.79	494.64	0.38	0.98	10.17	495.62
Borrowings	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-	-
MTM loss on FX forwards	-	-	-	-	-	-	-	-
Payable to group	11.77	11.77	-	-	-	-	11.77	11.77
Total	**11.77**	**11.77**	**9.79**	**494.64**	**0.38**	**0.98**	**21.94**	**507.39**
Assets								
Lending	-	-	-	-	0.09	2.48	0.09	2.48
Balances with Bank	-	-	0.11	1.98	-	-	0.11	1.98
Interest receivable	-	-	-	-	-	-	-	-
MTM gain on FX forwards	-	-	-	-	-	-	-	-
Other Receivable	-	-	-	-	-	-	-	-
Total	-	-	**0.11**	**1.98**	**0.09**	**2.48**	**0.20**	**4.46**
Off-Balance Sheet items								
FX Forwards	-	-	0.50	1,154.17	-	-	0.50	1,154.17
Total	**-**	**-**	**0.50**	**1,154.17**	**-**	**-**	0.50	**1,154.17**

(₹ in Crore)

Particulars	Parent	Subsidiaries of the Parent	Key Management Personnel	Total
Profit & Loss Account Items				
Interest Received	-	-	0.19	**0.19**
Other Income	10.75	-	-	**10.75**
Interest Paid	-	-	0.02	**0.02**
Fees Paid	-	-	-	**-**
Salary Cost	-	-	5.06	**5.06**
Management and other reimbursement expenses	6.14	-	-	**6.14**

22. Impairment of Assets

There is no impairment of any of the fixed assets and as such no provision is required as per AS-28 on "Impairment of Assets".

23. Earnings Per Share

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Net profit after tax	(15.48)	(87.20)
Weighted average number of equity shares outstanding (in absolute no.)	104,29,81,330	98,25,63,097
Basic and diluted earnings per share in ₹	(0.15)	(0.89)

24. Following disclosure is made as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
The principal amount remaining unpaid to any supplier	0.43	-
The interest due thereon (above principal amount) remaining unpaid to any supplier	-	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day for the year ended	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

25. Revaluation of Fixed Assets

The Bank computes depreciation on revalued premises over its estimated remaining useful life and accordingly an amount of ₹0.84 Crore (Previous Year: ₹0.84 Crore) has been accounted as depreciation and reduced from the Revaluation Reserve during FY 2025-26.

Premises are revalued every three years by an independent valuer to reflect current market valuation. Appreciation, if any, on revaluation is credited to Revaluation Reserve. Accordingly, revaluation is done in FY 2025-26 (last revaluation carried out in FY 22-23) and there is upward valuation in revaluation account amounting to ₹9.65 Crore.

26. Software capitalized under Fixed Assets

(₹ in Crore)

Particulars	March 31, 2026	March 31, 2025
Cost at beginning of the year (gross)	102.76	78.39
Additions during the year	7.01	24.37
Deductions during the year	-	-
Depreciation to date	92.17	74.99
Net Block	**17.60**	**27.77**

27. Disclosure on Remuneration to Non-executive Directors

The Non-Executive Directors and Independent Directors are paid remuneration by way of sitting fees for attending meetings of Board and its committees. An amount of ₹2.25 Crore (Previous Year: ₹1.30 Crore) was paid as sitting fees to the Non-Executive Independent Directors during the year.

28. Accounting for leases

(a) Financial lease

Bank has not entered into any financial lease in current year as well as previous year.

(b) Operating lease

The lease agreement entered into pertains to use of premises by the Corporate Office and Branches. There is no sub–lease arrangement.

(₹ in Crore)

Particulars	March 31,2026	March 31,2025
1. Total future minimum lease payments as at year end:	95.13	68.00
– Not later than one year	18.29	6.16
– Later than one year but not later than five years	66.87	25.82
– Later than five years	9.97	36.02
2. Lease payments recognized in the Profit and Loss Account in Schedule 16	17.17	17.23

29. Corporate Social Responsibility

Bank has constituted the Corporate Social Responsibility (CSR) Committee of the Board, in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended.

The details of CSR expenditure are given below:

(₹ in Crore)

Particulars	March 31,2026	March 31,2025
Amount required to be spent by the bank during the year	-	0.28
Amount of expenditure incurred	-	0.28
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	-	Poverty alleviation and measures to reduce inequalities, promotion of education and skills development among marginalized sections, promotion of livelihood enhancement projects targeting small and marginal farmers, sponsorship of day care centres and dementia support centers for senior citizens and promotion of essential nutrition for young children and mothers.
Details of related party transactions in relation to CSR expenditure as per relevant accounting standard	-	-
Movements in the provision during the year with respect to liability incurred by entering into a contractual obligation	-	-

30. Capital Commitment

Capital Commitment outstanding as on March 31, 2026 amounts to ₹11.45 Crore. (Previous Year: ₹10.96 Crore).

31. Other expenditure

Details of expenses included in Other Expenditure in Schedule 16, exceeding 1% of the total income are set out below:

FY 2025-26

(₹ in Crore)

Particulars	Total
IT Expenses	64.18
Card Network Expense & ATM Charges	23.26
Currency Note Handling Charges	12.46

FY 2024-25

(₹ in Crore)

Particulars	Total
IT Expenses	72.22
Card Network Expense & ATM Charges	22.55

32. Other liabilities (including provisions)

Details of others included in Other liabilities in Schedule 5.5, exceeding 1% of the total asset are set out below:

FY 2025-26

(₹ in Crore)

Particulars	Total
Unrealized loss on foreign exchange and derivative contract	415.71

FY 2024-25

(₹ in Crore)

Particulars	Total
Unrealized loss on foreign exchange and derivative contract	98.71

33. Other Assets

Details of others included in Other Assets in Schedule 11, exceeding 1% of the total asset are set out below:

FY 2025-26

(₹ in Crore)

Particulars	Total
Unrealized gain on foreign exchange and derivative contract	402.40
Settlement & Receivable balances	127.74

FY 2024-25

(₹ in Crore)

Particulars	Total
Unrealized gain on foreign exchange and derivative contract	143.98

34. Other Income

FY 2025-26

There were no items under Schedule 14.8 which exceeding 1% of the total income.

FY 2024-25

(₹ in Crore)

Particulars	Total
Income sharing on Recovery realization of NPA Case	10.05

35. During the financial year ended March 31, 2026, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines and internal policies, as applicable.

(a) The Bank has not granted any advance/loans or investments or provided guarantee or security or the like to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend/invest/provide guarantee or security or the like to any other person on behalf of the company.

(b) The Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the company shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

36. Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year.

For Gokhale & Sathe Chartered Accountants ICAI Firm Registration Number: 103264W	For SBM Bank (India) Limited	
Mr. Rahul Joglekar Partner ICAI Membership No. 129389	**Mr. Ashish Vijayakar** Managing Director & Chief Executive Officer DIN: 10498810	**Mr. Amit Jagdhari** Executive Director & Chief Financial Officer DIN: 10738364
Place: Mumbai Date: May 27, 2026	**Mr. Mehul Somaiya** Company Secretary ACS Membership No. A43026	

Basel III – Pillar 3 disclosures for the year ended 31st March 2026

1. Scope of Application

Quantitative Disclosures:

(a) The aggregate amount of capital deficiencies in subsidiaries : Not Applicable

(b) The aggregate amount of the bank's total interests in insurance entitles : Not Applicable

2. Capital Requirement

Qualitative disclosures

Bank's approach to assessing the adequacy:

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. The Bank's policy is to maintain an adequate capital to maintain confidence of depositors and market and to sustain future business developments.

The Bank is fully committed to implementing the Basel III as adopted by the Reserve Bank of India and currently follows Standardised approach for credit and market risk and Basic Indicator approach for operational risk.

Quantitative disclosures:

The details of capital, risk weighted assets and capital adequacy ratio as on 31st March 2026 are as follows:

(₹ in millions)

Capital Requirements for various Risks	
Credit Risk	
Capital requirements for credit risk:	
• Portfolios subject to standardised approach	6,653
• Securitisation exposures*	-

* Bank does not have any exposure to securitization transactions

Note:- Capital requirement has been computed at 11.50% of Credit Risk RWA

(₹ in millions)

Market Risk	
Capital requirements for market risk:	
Standardised duration approach;	
• Interest rate risk	568
• Foreign exchange risk (including gold)	99
• Equity risk	-

(₹ in millions)

Operational Risk	
Capital requirements for operational risk:	
• Basic Indicator Approach	532
• The Standardised Approach (if applicable)	-

(₹ in millions)

Capital Adequacy Ratios	Ratio
Common Equity Tier – 1 CRAR	11.67%
Tier – 1 CRAR	11.67%
Total CRAR	15.26%

3. Risk Exposure and Assessment

General qualitative disclosure on risk area, risk management objective policies and processes etc:

The Bank has identified the following risks as material to its nature of operations:

- Credit Risk
- Market Risk
- Operational Risk (including fraud risk)
- Concentration Risk
- Interest Rate Risk in the Banking Book
- Liquidity Risk
- Compliance Risk
- Reputational risk
- Strategic Risk
- Information Security or Cyber Security Risk
- Settlement Risk
- UFCE Risk
- IT Risk/Technology Risk/Fintech Risk

Risk Management framework

Overview

The Bank's risk management framework is embedded in the business through the different levels supported by an appropriate level of investment in information technology and its people.

Credit Risk

The Bank has a comprehensive credit risk framework to manage Credit Risk, in a uniform and consistent manner.

- Bank maintains independence and integrity of credit decision-making, credit under writing function is segregated from loan origination.
- Bank adheres to the RBI prudential requirements with respect to lending norms.
- All credit proposals are analysed through borrower's historical financial statements and projections, which includes a thorough review of traditional methods of ratio analysis, evaluation of asset conversion cycle, balance sheet structure (liquidity, capitalization, and maturity schedule of liabilities), cash flow and FX exposure.
- As a matter of policy, all credit facilities are reviewed / renewed annually. An account would be classified as NPA based on RBI guidelines.

Credit Concentration Risk

Credit Concentration Risk arises mainly on account of concentration of exposures under various categories including industry, products, geography, sensitive sectors, underlying collateral nature and single/group borrower exposures.

Limits have been stipulated on single borrower, borrower group and industry. Limits on countries and bank counterparties have also been stipulated. In addition, a framework has been created for managing concentration risk.

Credit risk: General disclosures

Qualitative Disclosures

(a) Credit quality of Loans and Advances

All loans and advances in the Bank are classified according to asset quality, nature and number of days in arrears in accordance with RBI guidelines. For accounting purposes, definition of RBI for past due and impaired assets are adopted. Standard accounts include all facilities which demonstrate good financial condition, minimum risk factors and capacity to repay in line with the original terms of sanction.

Non-Performing Assets

Non-performing assets are those loans for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms. During the financial year 2025-26, Bank has non-performing assets, net off provision (Gross NPA less Provision), amounting to INR 653 Mio as on 31/03/2026.

The Bank has adopted the Standardised Approach under Basel III for computation of capital for credit risk for Financial Year 2025-26.

Total Gross Credit Risk Exposure Including Geographic Distribution of Exposure

(₹ in millions)

Exposure distribution	31st March 2026		
	Fund based*	Non-fund based	Total
Domestic	62,238	29,127	91,365
Overseas	-	-	-
Total	62,238	29,127	91,365

*Represent Net Advances

Distribution of Credit Risk Exposure by Industry Sector

(₹ in millions)

Industry Classification	Amount	
	Fund Based	Non-Fund Based
Direct Agriculture	765	-
Indirect Agriculture	12,772	-
Financial Intermediation-NBFC	9,760	28
Trade	1,506	7,430
Infrastructure	2,868	9,820
Food Processing	5,221	5,732
Commercial Real Estate	4,315	2
Chemicals and Chemical Products	1,759	185
Other Services	1,753	1,169
All Engineering	1,274	946
Mining and Quarrying	966	482
Construction	594	2,112
Basic Metal and Metal Products	2,367	191
Financial Intermediation	1,832	-
Professional Services	979	227
Credit Card Receivables	1,137	-
Housing Loans	938	-
Advances against Fixed Deposits	312	-
Textile	796	204
Paper and Paper Products	469	179
Vehicles, Vehicle Parts and Transport Equipment's	95	50
Transport Operators	328	-
Leather and Leather products	318	7
Manufacturing-Other Industries	402	-
Beverage & Tobacco	1,551	8
Rubber, Plastic and their Products	754	-

(₹ in millions)

Industry Classification	Amount	
	Fund Based	Non-Fund Based
Computer and Related Activities	-	53
Tourism, Hotel and Restaurants	55	-
Wood and Wood Products	42	-
Vehicle/ Auto loans	3	-
Gems and Jewellery	135	254
Loan Against Properties	3,958	-
Other Retail Loans	1,582	-
Post and Telecommunication Services	632	48
Total	**62,238**	**29,127**

As on 31st March 2026, the Bank's exposure to the industries stated below was More than 5% of the total gross credit exposure (outstanding):

(₹ in millions)

Sr. No.	Industry Classification	Percentage of the total gross credit exposure
1	Indirect Agriculture	20.52%
2	Financial Intermediation-NBFC	15.68%
3	Food Processing	8.39%
4	Commercial Real Estate	6.93%
5	Loan Against Properties	6.36%

Breakdown of assets

Residual Contractual Maturity Breakdown of Assets as of **31st March 2026**

(₹ in millions)

Maturity buckets	Cash	Balances with RBI	Balances with other banks	Investments	Advances	Fixed Assets	Other assets
1day	19,133	298	637	4,394	1,192	-	3
2 to 7 days	-	-	-	-	2,401	-	154
8 to 14 days	-	-	-	750	450	-	25
15 to 30 days	-	186	-	64	1,599	-	165
31 days to 2 months	-	165	-	56	3,893	-	73
Over 2 months and upto 3 Months	-	139	-	244	2,543	-	92
Over 3 months and upto 6 Months	-	452	-	86	5,280	-	44
Over 6 months and upto 12 Months	-	478	-	4,104	8,058	-	188
Over 1 year and upto 3 years	-	957	-	713	27,900	-	25
Over 3 years and upto 5 years	-	55	-	2,932	2,768	-	35
Over 5 years	-	78	-	8,353	5,521	1,019	6,747
Total	**19,133**	**2,808**	**637**	**21,696**	**61,605**	**1,019**	**7,551**

Values are in line with the Structural Liquidity Statement submitted to RBI.

Movement of NPAs

(₹ in millions)

Particulars	Amount
Amount of NPAs (Gross)	
• Substandard	687
• Doubtful 1	225
• Doubtful 2	143
• Doubtful 3	132
• Loss	100
Net NPAs	
NPA Ratios	653
• Gross NPAs to gross advances	2.07%
• Net NPAs to net advances	1.06%
Movement of NPAs (Gross)	
Opening balance (1st April, 2025)	1,629
Additions	911
Reductions	1,253
Closing balance (31st March, 2026)	1,287

Movement of specific provisions and general provisions

(₹ in millions)

Movement of Provisions	Specific Provisions	General Provisions
Opening balance (1st April, 2025)	1170	243
Provisions made during the period	313	148
Write-off/ Write-back of excess provisions	849	0
Any other adjustments, including transfers between provisions		
Closing balance (31st March, 2026)	634	391

In addition, write-offs and recoveries that have been booked directly to the income statement should be disclosed separately.

(₹ in millions)

Write-offs that have been booked directly to the income statement	297
Recoveries that have been booked directly to the income statement	14

Geography wise Distribution of NPA and Provision – Position

(₹ in millions)

Particular	Domestic	Overseas	Total
Gross NPA	1,287	-	1,287
Specific Provision	634	-	634

Breakup of NPA by major Industries– Position

(₹ in millions)

Particulars	Total (As of 31st March 2026)	
	Gross NPA	Specific Provision
Credit Card Receivables	1	1
Housing Loans	107	25
Loans against Properties	53	12
Infrastructure	118	118
Manufacturing- Paper and Paper Products	-	-
Manufacturing-Chemical Products	148	107
NBFC	113	53
Vehicle/ Auto loans	3	3
Manufacturing- Food Processing	4	1
Professional Services	356	75
Trade	2	-
Other Retail Loans	382	239
Total	**1,287**	**634**

Non-Performing Investments

NPIs and Movement of Provision for Depreciation on Investments – Position

(₹ in millions)

	Particulars	Amount
A	Amount of Non-Performing Investments	-
B	Amount of Provision held for non-performing investments	-
C	Movement of provision for depreciation on investments	
	Opening balance as on 1st April 2025	192
	- Provision made in FY25-26	
	Write-offs/Write-back of excess provision	28
	- Closing balance as on 31st March 2026	220

[1] With effect from April 1, 2024, the Bank has adopted the revised framework as detailed in the RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on September 12, 2023 and in compliance with the RBI Master Direction, the valuation gains and losses at the period ended March 31, 2025, as across all performing investments (irrespective of classification), held under Available for Sale ("AFS") is aggregated and the net gain / loss has been directly credited / debited respectively to a reserve named "AFS Reserve" (net of taxes). The securities held in Fair Value through Profit and Loss ("FVTPL") (including Held for Trading) is fair valued at the period ended March 31, 2025, and the revaluation gain / loss arising on such valuation has been credited / debited respectively to the Profit and Loss Account.

[2] Includes SR of INR 192 Mio which is 100% provided.

4. Gross Credit Risk Exposure

Qualitative Disclosures:

- The Bank is using Credit Risk Assessment of ICRA, CRISIL, India Ratings, CARE, Infomerics and Acuite for the purpose of arriving at risk weightage wherever available.

Quantitative Disclosures

Details of Gross Credit Risk Exposure (Fund based and Non-fund based) based on Risk-Weight – Position

(₹ in millions)

Particulars	Amount
Below 100% risk weight	44,007
100% risk weight	23,721
More than 100% risk weight	23,637
Deduction from capital funds	-
Total	**91,365**

Note: Exposure includes loans & advances, lending, margins, investments in Govt Securities, T-Bills, SDLs, investments in debenture & bonds, security receipt, other fund based assets and Non-Fund based exposure including LC, Performance Guarantees, Financial Guarantees and un-availed Cash Credit, and other contingent Liabilities.

5. Credit Risk Mitigation

Qualitative Disclosures:

It is the policy of the bank to request for pari-pasu charge on current assets/movable fixed assets/immovable assets for corporate credits unless the business case warrants unsecured lending. Security is recognized only as a fallback option and repayment of facilities are primarily sought from the cash flow of the borrower's business. Collateral security is an important comfort to mitigate risk. Bank insists on proper valuation of collateral security wherever stipulated.

Quantitative Disclosures

Exposures (Fund Based and Non-Fund Based) covered by Eligible CRMs:

(₹ in millions)

Particulars	Amount
Exposures fully covered by Financial Collaterals after taking into consideration hair-cut	1,159
Eligible Cash Collaterals	25,153
Eligible Guarantees [Central Govt., State Govt., CGMSE]	-
Total	**26,313**

6. Securitisation Exposures: Disclosure for Standardised Approach

Qualitative and Quantities disclosures:

The bank had securitized NPA assets (Marg Ltd) through Pegasus Assets Reconstruction Pvt Ltd. and subscribed to Security Receipts to the tune of INR 168.17 Mio issued by the Asset Reconstruction Company. Bank securitized the NPA asset of Arch Pharma and subscribed to the Security Receipt to the tune of INR 24.23 Mio issued by JM Asset Reconstruction Company Ltd. Provision of INR 192.40 Mio is made for Security Receipts.

7. Market Risk in Trading Book

Qualitative disclosures

Market Risk

Market Risk is the risk of losses arising from changes in market rates or prices that can affect the value of financial instruments. In the Bank all Market Risk is centralized in the dealing room. Market Risk is tracked and measured on a dynamic basis by a dedicated Market Risk desk and periodic reports are circulated to senior management.

Market Risk Organization Structure at the Bank

Bank's Risk Management is controlled at the Corporate Office. The Risk Management Committee of the Board approves risk tolerance and appetite for market risk on the recommendation of the Risk Department. It also monitors and reviews significant risks and effectiveness of processes and sets out management responsibilities. Risk Management Department formulates and implements the market risk policies, and operational plans and recommends changes to policies, processes, and parameters for approval of Risk Management Committee after taking feedback from the stake holders.

Market Risk Limit Structure at the Bank

Market Risk limits represent strategic restrictions, reflecting the risk tolerance of the Bank, the nature of the trading activities and the perceived trading and management skills. The limit setting is to prevent the accumulation of Market Risk beyond the Bank's risk tolerance level, as determined by the Bank's top management, and to reflect mandates of individual trading units. Market Risk limits are set in a top-down process and organized in a certain hierarchy.

The Bank calculates the risk charge on market risk based on standardized approach as prescribed by RBI. The portfolio contains foreign exchange, equity risk and interest rate risk only. The interest rate general risk is computed on the basis of duration-based approach.

Quantitative disclosures

The capital requirements for market risk are as follows:

(₹ in millions)

Standardized Duration Approach	Amount
Interest rate risk	568
Foreign exchange risk (including gold)	99
Equity position risk	-

8. Operational Risk Disclosures

Operational Risk:

The Basel Committee on Banking Supervision (BCBS) and subsequently the Reserve Bank of India (RBI) have defined Operational Risk (OR) as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". The bank has adopted the same definition for the purpose of management of operational risk. The definition includes risk of loss due to legal risk but excludes strategic and reputational risk. The Bank has put in place Board approved governance and organisational structure with clearly defined roles and responsibilities to mitigate operational risk arising out of the Bank's business and operations.

Governance and Organisational Structure for Managing Operational Risk: The Board of Directors (Board) is primarily responsible for ensuring effective management of the operational risks of the bank. The Board sets the overall strategy and direction for Operational Risk Management within the Bank. The Risk Management Committee (RMC) of the Board is responsible for overseeing the effective implementation of the Operational Risk Management Framework (ORMF) approved by the Board of Directors. A committee of senior management officials namely "Risk Forum" oversees the implementation of the ORMF approved by the Board. This committee comprises of MD & CEO, Chief Operating officer (COO), Chief Risk Officer (CRO), Chief Compliance Officer (CCO), Head of Credit, Head of Treasury & Head of Market Risk & TMO. An independent Operational Risk Management vertical within Risk Department is responsible for implementation of the framework across the Bank. The Board approved operational risk management policy stipulates the roles and responsibilities of employees, business units, operations and support function in managing operational risk.

Monitoring & Measuring Operational Risk:

The Bank has put in place following tools and techniques to monitor and measure operational risk:

1) **Risk and Control Self-Assessment (RCSA)** is a process of periodic and subjective assessment of the bank's operational risk and controls undertaken by the respective department / function heads. This exercise leverages on the

knowledge and expertise of the respective departments to assess their risks and effectiveness and adequacy of controls. This helps in identifying control gaps and consequent actions proposed to close the gaps. RCSA is used for identification & mitigation of operational risks, reporting of control deficiencies, monitoring of changes in control environment and assessment of operational risk profile. The focus of RCSA process is to ensure that all operational risks are understood and are being effectively monitored and controlled to improve business and operational efficiency.

2) **Key Risk Indicators:** These are metrics which when monitored on periodic basis can provide a warning /alert on the underlying risk or control failure. This then helps taking timely action to prevent occurrence of the risk. The Bank has identified certain metrics as Key Risk Indicators which are monitored on a periodic basis.

3) **Reporting of Operational Risk Events:** The Bank collects operational risk events. Root cause analysis is conducted for material risk events to identify the underlying risks and mitigate the gaps in control.

Outsourcing Risk:

Outsourcing may be defined as the use of a third party to perform activities that would normally be undertaken by SBMBI (The Bank) itself.

The Bank is using outsourcing as a means of cost savings, access to superior technology, skilled expertise, flexible staffing, efficiencies etc which allows the Bank to focus on its core activities. The outsourcing of any activity by the Bank does not diminish its obligations. The Bank has a Board approved Outsourcing Policy and Standard Operating Procedure (SOP) which specifies the Bank's approach towards outsourcing & it's governance structure.

The Outsourcing Committee constituted by the Bank has the ultimate responsibility for the Outsourcing activities, its key responsibilities are as below:

- Approval of framework for assessing the materiality of outsourced activity.
- Evaluating the risks and materiality of all existing and prospective outsourcing, based on the framework approved by the Board.

A detailed Standard Operating Procedure (SOP) is in place in the Bank to provide operational guidance on the following aspects:

- Identification of outsourced activity and assessing their Materiality
- Constitution, Delegation and Committee quorum members.
- Onboarding, Approval, discontinuation and termination process.
- Due diligence of outsourcing vendors prior to onboarding. (including technology reviews for all partners connecting to the Banks IT infrastructure)
- Maintenance of central data base for outsourcing service provider.
- Half yearly/Annual review to be conducted as per regulatory guidelines.
- Reporting of outsourcing activities and vendors to the Board and RBI.
- Annual review of all critical Service providers is conducted to ensure process followed is in accordance with bank approved processes, Infosec & regulatory guidelines.

Information Security & Information Technology Risk:

The bank uses various technology solutions / applications to be able to carry out its various operations. Use of technology exposes the Bank to the risk of business disruption, risks related to information assets, data breach, compliance, regulatory, third-party, integrity, reliability, and availability etc. The Bank has put in place a governance framework, information security practices and business continuity plan to mitigate information technology related risks.

The Internal Audit Department provides assurance on the management of information technology related risks. Bank conducts Business Continuity tests and Disaster Recovery tests on a periodic basis to ensure capabilities of meeting the contingency needs of the bank.

There is an independent information security team within Risk Department group which addresses information security related risks. A documented Board approved information security policy is put in place. Information security trainings and awareness are provided to all the employees of the bank. An information security steering committee is formed for an effective communication channel for management's directions and provides an ongoing basis alignment of the security programme with organizational objectives.

Fintech Risk:

The bank as a strategy has embarked on a journey of tying up with various Fintech Partners. We use technology solutions / applications and connectivity to banks infrastructure from the Fintech Partners to be able to provide a wide range of service to our customers. Use of technology and Fintech Partners exposes the Bank to the risk of business disruption, risks related to information assets, data breach, compliance, regulatory, third-party, integrity, reliability and availability etc. The Bank has put in place a governance framework, information security practices and business continuity plan to mitigate information technology related risks. The Bank ensures that we assess the security risk of outsourced model wherein the bank data is stored, processed, transmitted by third party partners, vendors, BC, processors, PSP, TSP etc. are assessed prior to go live. The vendor risk assessment is conducted by a CERT-IN auditor on behalf of bank. Any residual risk undergoes a risk treatment and acceptance process.

Fraud Risk:

Risk of frauds – internal or external are inherent to any banking entity. SBM India has identified Fraud Risk as one of the key risks facing the organization.

The Reserve Bank of India has vide its "Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs" categorized the fraud in the following categories to ensure consistency in treatment of fraud–

a) Misappropriation of funds and criminal breach of trust.
b) Fraudulent encashment through forged instruments.
c) Manipulation of books of account or through fictitious accounts, and conversion of property.
d) Cheating by concealment of facts with the intention to deceive any person and cheating by impersonation.
e) Forgery with the intention to commit fraud by making any false documents/electronic records.
f) Wilful falsification, destruction, alteration, mutilations of any book, electronic record, paper, writing, valuable security or account with intent to defraud.
g) Fraudulent credit facilities extended for illegal gratification.
h) Cash shortages on account of frauds.
i) Fraudulent transactions involving foreign exchange.
j) Fraudulent electronic banking / digital payment related transactions committed on banks and
k) Other type of fraudulent activity not covered under any of the above.

Compliance Risk:

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities.

Since the bank is required to adhere to numerous regulatory guidelines and applicable laws, risk of non-adherence to these laws and guidelines is identified as a key risk for SBM India.

Strategic and Business Risk:

Strategic risk is the current or prospective risk to earnings and capital arising from changes in the business environment and/or adverse business decisions, improper implementation of decisions, or lack of responsiveness to changes in the business environment.

The Bank does its capital and business budgeting exercise every year. Such an exercise includes the impact of the Bank's strategic plans (long-term horizon), as well as business plans based on the banks' current and projected capital levels. At the strategic level, investments in related businesses, changes in business portfolio based on internal study of industrial and economic environments, would have a direct impact on the capital levels and the growth targets of the different business lines of the Bank. At the tactical level, introduction of new products, discontinuation of existing products, expansion into new customer segments, etc. would have an impact on the budgeted growth plans.

The Bank identifies the key strategic and business risks during its business plan formulation and review.

Reputational Risk:

Reputational risk is the current or prospective risk to earnings and capital arising from adverse perception of the image of the bank on the part of customers, counterparties, shareholders, investors and/or regulators.

The reputation of SBM India is founded on the trust from its employees, clients, shareholders, regulators and from the public in general. Isolated events may undermine that trust and negatively impact SBM India's reputation. Hence, SBM India acknowledges that it is essential that the reputation is protected.

The Bank has put in place a Enterprise Risk Management and ICAAP Policy which deals with identification and assessment of reputational risk.

Capital Charge: The Bank follows the Basic Indicator Approach for computation of regulatory capital charge for Operational Risk.

9. Interest Rate Risk in Banking Book

Qualitative Disclosures

Interest Rate risk in Banking Book (IRRBB) refers to the risk of loss in earnings or economic value of the Bank's Banking Book as a consequence of movement in interest rates. Interest rate risk arises from holding assets/liabilities and Off-Balance Sheet [OBS] items with different principal amount, maturity dates or re-pricing dates thereby creating exposure to changes in levels of interest rates.

IRRBB Organization Structure

Asset and Liability Committee (ALCO) ensures compliance with regulatory and internal policies related to IRRBB and provides strategic direction, for achieving IRRBB management objectives. The ALCO focuses on building strong interest rate indicators, which positively contributes to optimizing the balance sheet structure and maximizes NII over time, while minimizing susceptibility to interest changes. The ALCO is convened regularly to review interest rate risk in the Bank's balance sheet and to assess the market condition. ALCO is guided by the Asset Liability Policy approved by the Board which sets various limits to control the interest rate risk like Gap Analysis, EaR with respect to 200 basis point adverse change in the interest rate and the magnitude of impact over one year period.

Liquidity Risk

Liquidity Risk is the risk that the Bank is not able to fulfil its actual and potential financial obligations, as and when they are due, without incurring unacceptable losses. The different dimensions of liquidity risks are (i) Funding risk – need to replace net outflows due to unanticipated withdrawal/non-renewal of deposits (wholesale / retail) (ii) Time risk – need to compensate for non-receipt of expected inflows of funds, for example, performing assets turning into non-performing assets and (iii) Call Risk – due to crystallization of contingent liabilities and unable to undertake profitable business opportunities when desirable. The Bank has an Asset Liability Management policy in place, which acts as the principal document for management of liquidity risk.

Liquidity Risk Organization Structure

The ultimate responsibility for the Liquidity Risk of the Bank lies with the Asset & Liability Committee (ALCO). ALCO meets monthly and monitors the funding and liquidity position of the Bank and provides structural guidance and oversight. The bank prepares and analyses the structural liquidity statement reports as per RBI defined time buckets. The Bank has put in place liquidity mitigants.

Quantitative disclosures

Interest Rate Risk from Earnings Perspective

(₹ in millions)

Currency	Interest Rate Shock	
	+200bps	-200bps
INR	70	-70
USD	124	-124
Residual	-4	4
Total	**190**	**-190**

Interest Rate Risk from Economic Value Perspective

(₹ in millions)

Currency	Interest Rate Shock	
	+200bps	-200bps
INR	366	-366
USD	-79	79
Residual	41	-41
Total	**328**	**-328**

10. Exposures to Counterparty Credit Risk

Qualitative Disclosures

Bank is having counterparty credit exposure for derivative transactions i.e., forex forwards, FX Swap, Cross Currency Swap, Interest Rate Swap and FX Options. All interbank USD/INR forward contract upto 13 months are guaranteed by CCIL. Forward Contract Limits for clients are based on Loan Equivalent Ratio (LER). Bank follows the current exposure method as prescribed by RBI for computing counterparty credit exposure.

Quantitative Disclosures

(₹ in millions)

Distribution of Notional and Current Credit Exposure	Notional	Current credit exposur	Exposure under Current Exposure Method (CEM)
a) Interest rate Swaps	1,50,293	887	1,532
b) Cross Currency Swaps	23,248	195	1,154
c) Currency Options	1,091	43	54
d) Foreign Exchange Contracts	1,05,126	3,883	5,621
e) Currency Futures	-	-	-
f) Forward Rate Agreements	-	-	-
g) Others (please specify product name) - NDF	-	-	-
Total	**2,79,758**	**5,008**	**8,361**

(₹ in millions)

Gross Positive Fair Value of Contracts	5008
Netting Benefits	-
Netted Current Credit Exposure	5008
Collateral Held	-
Net Derivative Credit Exposure	5,008
Exposure Amount under Current Exposure Method	8,361
Notional Value of Credit Derivative Hedges	21,159
Foreign exchange contracts	1,05,126
Credit Derivative Transactions that Create Exposure to CCR	2,79,758

11. Composition of Capital

Qualitative Disclosures:

Tier I capital comprises of Paid-up Capital for the purpose of meeting capital adequacy norms, statutory reserves, Capital Reserves and retained earnings including Carry Forward Losses.

Tier II capital comprises of general loan loss provisions, country risk provision, investment fluctuation reserve and revaluation reserve.

(₹ in millions)

Basel III common disclosure template to be used for 31st March 2026			
Common Equity Tier 1 capital: instruments and reserves			Ref No.
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	11,316	A1
2	Retained earnings	(3,675)	B3+B4
3	Accumulated other comprehensive income (and other reserves)	858	B1+B2+C2*0.45
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	8,499	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	-	
10	Deferred tax assets	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	

(₹ in millions)

Basel III common disclosure template to be used for 31st March 2026			
Common Equity Tier 1 capital: instruments and reserves			Ref No.
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
26d	of which: Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	-	
29	Common Equity Tier 1 capital (CET1)	8,499	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	National specific regulatory adjustments (41a+41b)	-	

(₹ in millions)

Basel III common disclosure template to be used for 31st March 2026			
Common Equity Tier 1 capital: instruments and reserves			Ref No.
41a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	8,499	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2,240	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	376	C1+C3
51	Tier 2 capital before regulatory adjustments	2,616	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments12 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	2,616	
59	Total capital (TC = T1 + T2) (45 + 58)	11,115	
60	Total risk weighted assets (60a + 60b + 60c)	72,827	
60a	of which: total credit risk weighted assets	57,849	
60b	of which: total market risk weighted assets	8,334	
60c	of which: total operational risk weighted assets	6,645	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.67%	
62	Tier 1 (as a percentage of risk weighted assets)	11.67%	
63	Total capital (as a percentage of risk weighted assets)	15.26%	

(₹ in millions)

Basel III common disclosure template to be used for 31st March 2026			
Common Equity Tier 1 capital: instruments and reserves			Ref No.
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	0.00%	
67	of which: G-SIB buffer requirement	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	6.17%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	C3
77	Cap on inclusion of provisions in Tier 2 under standardised approach	723	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	NA	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA	
82	Current cap on AT1 instruments subject to phase out arrangements	NA	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA	
84	Current cap on T2 instruments subject to phase out arrangements	NA	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA	

Row No. of template	Particular	(₹ in millions)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
50	Eligible Provisions included in Tier 2 capital (Including Investment Fluctuation Reserve)	376
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	376

12. Capital- Recon Requirement

(₹ in millions)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date 31st March 2026	As on reporting date 31st March 2026
A	**Capital & Liabilities**		
I	Paid-up Capital	10,937	10,937
	Reserves & Surplus	-2,153	-2,153
	Minority Interest		
	Total Capital	8,784	8,784
II	Deposits	93,346	93,346
	of which: Deposits from banks	5,369	5,369
	of which: Customer deposits	87,977	87,977
	of which: Other deposits (pl. specify)		
III	Borrowings	6,051	6,051
	of which: From RBI	0	0
	of which: From banks	3,061	3,061
	of which: From other institutions & agencies	2,990	2,990
	of which: Others (pl. specify)		
	of which: Capital instruments		
IV	Other liabilities & provisions	6,267	6,267
	Total	**1,14,448**	**1,14,448**

(₹ in millions)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date 31st March 2026	As on reporting date 31st March 2026
B	**Assets**		
I	Cash and balances with Reserve Bank of India	21,941	21,941
	Balance with banks and money at call and short notice	637	637
II	Investments:	21,695	21,695
	of which: Government securities	21,385	21,385
	of which: Other approved securities	0	0
	of which: Shares	0	0
	of which: Debentures & Bonds	14	14
	of which: Subsidiaries / Joint Ventures / Associates	0	0
	of which: Others (Commercial Papers, Mutual Funds etc.)	296	296
III	Loans and advances	61,605	61,605
	of which: Loans and advances to banks	0	0
	of which: Loans and advances to customers	61,605	61,605
IV	Fixed assets	1,019	1,019
V	Other assets	7,551	7,551
	of which: Goodwill and intangible assets		
	of which: Deferred tax assets		
VI	Goodwill on consolidation		
VII	Debit balance in Profit & Loss account		
	Total Assets	**1,14,448**	**1,14,448**

		B/S as in financial statements	B/S under regulatory scope of consolidation	Ref No
A	Capital & Liabilities			
I	Paid-up Capital	10,937	10,937	A1
	of which: Amount eligible for CET1	10,937	10,937	
	of which: Amount eligible for AT1			
	Reserves & Surplus	-2,153	-2,153	
	of which: Statutory Reserve	504	504	B1
	of which: Share Premium	379	379	A1
	of which: Capital Reserve	199	199	B2
	of which: Retained Earnings	320	320	B3
	of which: Investment Fluctuation Reserve	96	96	C1
	of which: Revaluation Reserve	345	345	C2
	of which: Other Reserve	23	23	
	of which: Balance in Profit and Loss Account	-4,019	-4,019	B4
	Minority Interest			
	Total Capital	8,784	8,784	

		B/S as in financial statements	B/S under regulatory scope of consolidation	Ref No
II	Deposits	93,346	93,346	
	of which: Deposits from banks	5,369	5,369	
	of which: Customer deposits	87,977	87,977	
	of which: Other deposits (pl. specify)	-	-	
III	Borrowings	6,051	6,051	
	of which: From RBI	-	-	
	of which: From banks	3,061	3,061	
	of which: From other institutions & agencies	2,990	2,990	
	of which: Others (pl. specify)	-	-	
	of which: Capital instruments	-	-	
IV	Other liabilities & provisions	6,267	6,267	
	of which: Provision for standard assets**	391	391	C3
	of which: DTLs related to goodwill			
	of which: DTLs related to intangible assets			-
	Total	**1,14,448**	**1,14,448**	

**excludes provision for moratorium accounts

B	**Assets**			
I	Cash and balances with Reserve Bank of India	21,941	21,941	
	Balance with banks and money at call and short notice	637	637	
II	Investments:	21,695	21,695	
	of which: Government securities	21,385	21,385	
	of which: Other approved securities	-	-	
	of which: Shares	-	-	
	of which: Debentures & Bonds	14	14	
	of which: Subsidiaries / Joint Ventures / Associates	-	-	
	of which: Others (CP, Mutual Funds etc.)	296	296	
III	Loans and advances	61,605	61,605	
	of which: Loans and advances to banks	-	-	
	of which: Loans and advances to customers	61,605	61,605	
IV	Fixed assets	1,019	1,019	
V	Other assets	7,551	7,551	
	of which: Goodwill and intangible assets			
	Out of which:			
	Goodwill			
	Other intangibles (excluding MSRs)			
	of which: Deferred tax assets			
VI	Goodwill on consolidation			
VII	Debit balance in Profit & Loss account			
	Total	**1,14,448**	**1,14,448**	

13. Main Features of Regulatory Capital Instruments Cas on 31st March 2026

Unquoted Equity

(₹ in millions)

1	Issuer	SBM Bank (India) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements
	Regulatory treatment	
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Common Equity Tier I
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	Ordinary Equity Shares
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	10,937.01
9	Par value of instrument	10,937.01
10	Accounting classification	Equity Share Capital
11	Original date of issuance	NA
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	Write-down feature	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Represents the most subordinated claim in liquidation
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Tier 2 Bond

1	Issuer	SBM Bank (India) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE07PX08019
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements
	Regulatory treatment	
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	NCD (Tier 2)
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	NCD
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	IN Mio
9	Par value of instrument	INR 10 Mio
10	Accounting classification	Fully paid-up BASEL III compliant Tier 2 Bonds in the nature of Denture
11	Original date of issuance	April 5, 2022
12	Perpetual or dated	Dated
13	Original maturity date	April 5, 2032
14	Issuer call subject to prior supervisory approval	Call Option will be exercised after approval from RBI
15	Optional call date, contingent call dates and redemption amount	Date: - Call Option in respect of the bond at the end of 5 years from the date of allotment. Redemption Amt – INR 1,250 Mio
16	Subsequent call dates, if applicable	Annual
	Coupons / dividends	Coupons @ 9.75% PA
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	9.75
19	Existence of a dividend stopper	NIL
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	Write-down feature	Loss Absorption at the Point of Non-Viability
32	If write-down, full or partial	Fully or partially
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors and Depositors of the Bank
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

c	Issuer	SBM Bank (India) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE07PX08027
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements
	Regulatory treatment	
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	NCD (Tier 2)
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	NCD
8	Amount recognised in regulatory capital (` in million, as of most recent reporting date)	IN Mio
9	Par value of instrument	INR 10 Mio
10	Accounting classification	Fully paid-up BASEL III compliant Tier 2 Bonds in the nature of Debenture
11	Original date of issuance	January 24, 2023
12	Perpetual or dated	Dated
13	Original maturity date	January 24, 2033
14	Issuer call subject to prior supervisory approval	Call Option will be exercised after approval from RBI
15	Optional call date, contingent call dates and redemption amount	Date: - Call Option in respect of the bond at the end of 5 years from the date of allotment. Redemption Amt – INR 990 Mio
16	Subsequent call dates, if applicable	Annual
	Coupons / dividends	Coupons @ 9.88% PA
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	9.88
19	Existence of a dividend stopper	NIL
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	Write-down feature	Loss Absorption at the Point of Non-Viability
32	If write-down, full or partial	Fully or partially
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors and Depositors of the Bank
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

14. Full Terms and Conditions of Regulatory Capital Instruments

The full terms and conditions of all instruments included in the regulatory capital are as below:

Instruments	Full Terms and Conditions
Equity	As per para 13
Tier II Bonds	As per para 13

15. Requirement for Remuneration

Qualitative disclosures

(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee.	The NRC is responsible for providing oversight of the appointment/re-appointment and remuneration of senior management and other key personnel and ensuring that their compensation is consistent with the legal and regulatory framework, Bank's culture, objectives, strategy, and control environment. The NRC is also responsible for providing assessment of board effectiveness and directing the process of renewing and replacing board members. It is responsible for remuneration, succession planning and other board concerns. The composition of NRC as on **31st March 2026** is given as below: Ms. Pallavi Kanchan, Independent Director (Chairperson) Mr. Abizer Diwanji, Independent Director Mr. Sanjeev Lall, Independent Director Mr. Mahendra Vikramdass Punchoo, Additional (Non-Executive) Independent Director and Part-time Chairman
(b) Information relating to the design and structure of remuneration processes and the key features and objectives of Remuneration policy.	The Bank follows the following practices and principles in designing and structuring the remuneration process:- A focus on long-term, risk-adjusted performance and reward mechanism by focusing on performance of the individual employee, the relevant line of business or function and the Bank as a whole. It seeks to drive accountability, and co-relate risk, financial performance and compensation. Key features and Objective of Remuneration policy are: The bank follows a Cash plus Benefits (Fixed Pay plus Benefits) approach in its Compensation framework by providing competitive level of compensation to attract and retain qualified and competent staff members. The compensation should be adjusted for all types of risk. The policy was last reviewed in June 2025. New benefits introduced by the Bank were included in the Compensation policy. Conditions that trigger Malus: Divergence in the Bank Provisioning for NPA's. – Trigger: Wherever the assessed divergence in Bank's provisioning for Non - Performing Assets (NPAs) or asset

	classification exceeds the prescribed threshold for public disclosure, the bank shall not pay the unvested portion of the variable compensation for the assessment year under "malus" clause. Further, in such situations, no proposal for increase in variable pay (for the assessment year) shall be entertained. In case the bank's post assessment Gross NPAs are less than 2.0%, these restrictions will apply only if criteria for public disclosure are triggered either on account of divergence in provisioning or both provisioning and asset classification. Malus-Unvested/Deferred Variable Pay: Cancellation of partial or full deferred annual cash incentives and/or unvested LTI awards as of the date of discovery of the applicable trigger
(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	SBM has in place a robust risk and performance management system to capture, monitor, and control the risks created by its business activities. The goal is to not only manage the risks of the bank, but also to create a culture of risk awareness, risk quantification and measurement and personal accountability. It seeks to ensure that the potential for any risk-taking by any individual, group, or business is controlled.
(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	In determining total compensation, the bank considers the overall scope of an employee’s responsibilities, the performance history of the individual with the Bank, comparisons with other staff within the bank, external market compensation, and the overall performance of the function and the Bank as whole. The bank has adopted Balance Score Card method and metrics include Financial, Learning, Process and Customer quadrants on which employees are assessed. The Bank looks at sustained superior performance achieved across multiple factors over multiple time periods for determining variable remuneration.
(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.	The bank is currently unlisted, with plans of listing at an appropriate time. Till that time, the long term incentives (LTI) will be paid as a cash payout to a limited number of eligible employees (MRTs & WTD) as decided by the Board and the following RBI guideline will apply: In terms of RBI circular on Compensation dated November 4, 2019, Annex Clause B II. 2.1.2 (a) "only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash"; and as per Clause B II. 2.1.2(b) (iii) “in the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed p.a. but shall not be less than 50% of the fixed pay.” The other relevant provisions in respect of variable pay such as deferral, vesting, malus/claw-back, etc. would be as per the RBI Guidelines. At least 50% of the cash variable will be deferred. The

	deferral period of variable pay will be decided based on evaluation at the end of the Annual performance cycle each calendar year and will be between 3 to 5 years. Post listing, in the eventuality of the Bank's equity shares being listed in the stock exchange(s), the Bank will use a Share-linked long-term incentive to help drive a 'pay for performance' culture and link employees' individual wealth creation to the organizational success. In such case, the deferred pay due to the employee shall be converted to non-cash component with immediate effect. In the event of negative contributions of the bank in any year, the deferred compensation will be subject to malus arrangements which permits the bank to prevent vesting of all or part of the amount of a deferred remuneration, but it does not reverse vesting after it has already occurred.
(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	There will be a proper balance between the fixed and the variable pay. The proportion of variable pay will be higher at higher levels of responsibility and could be in cash, or stock linked instruments or mix of both. The variable remuneration includes short-term & long term variable remuneration. The Short-term variable remuneration includes Annual bonus & Short-term incentives Short term Incentives (paid quarterly) - Sales incentive will be Self funded – i.e. it aims to carve out a portion of profits in excess of target level as profit sharing pool and divide among employees of the organization. Funds earned through improved financial performance are available for payouts Annual Bonus - The Variable bonus will be paid out of a budgeted provision, but actual payouts will be determined on the basis of Bank's/ Department's/ Individual performance. All employees who have worked for at least six months in the year and are on the rolls of the Bank at the end of year and confirmed in the services of the Bank will be eligible for the Variable Bonus. The parameters for eligibility will be informed each year to the staff members. The plan will exclude those who are not on payrolls at the end of the year or in the notice period at the time of payment of Bonus. Those who have availed of leave without pay for an aggregate period of six months or more during the year will not be eligible for Variable bonus. 6. Long Term Incentive (LTI) The Company is currently unlisted, with plans of listing at an appropriate time. Till such that time, the LTI will be paid as a cash payout to a limited number of eligible employees (MRTs & WTD) as decided by the Board and the following RBI guideline will apply: In terms of RBI circular on Compensation dated November 4, 2019

	Annex Clause B II. 2.1.2 (a) "only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire variable pay can be in cash"; and as per Clause B II. 2.1.2(b) (iii) "in the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed p.a., but shall not be less than 50% of the fixed pay." The other relevant provisions in respect of variable pay such as deferral, vesting, malus/claw-back, etc. would be as per the RBI Guidelines. At least 50% of the cash variable will be deferred. The deferral period of variable pay will be decided based on evaluation at the end of Annual performance cycle each calendar year and will be between 3 to 5 years In cases where the cash component of variable pay is under Rs.25 lakh, deferral requirements would not be necessary. Post listing, in the eventuality of the Bank's equity shares being listed in the stock exchange(s), the Bank will use a Share-linked Long term incentive to help drive a 'pay for performance' culture and link employees' individual wealth creation to the organizational success. In such case, the deferred pay due to the employee shall be converted to non-cash component with immediate effect.

Quantitative disclosures - As on 31st March 2026

A	i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year ii) Remuneration paid to its members (sitting fees)	3 Meetings were held for during the financial year ended March 2026 viz. April 21, 2025, June 27, 2025, and November 07, 2025. ₹60,000/- per Meeting (for the meeting held on April 21, 2025) ₹1,00,000*/- per Meeting (for Meetings held on June 27, 2025, and November 07, 2025) **Revision in sitting fees with effect May 01, 2025, from ₹60,000 per meeting of the Board/Board Committee(s) to ₹1,00,000/- per meeting of the Board/Board Committee(s), in accordance with the resolution passed by the Board of Directors at its meeting held on April 30, 2025*
B	Number of employees having received a variablere muneration award during the financial year	1
C	Number and total amount of sign-on awards made during the financial year	-
D	Number and total amount of guaranteed bonus awarded during the financial year, if any	-
E	Details of severance pay, in addition to accrued benefits, if any	-

Quantitative disclosures - As on 31st March 2026

F	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	INR 17.62 million cash
G	Total amount of deferred remuneration paid out in the financial year	INR 4.01 million
H	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used	Includes Data for

EMP_DETAIL
MD & CEO
Ex- MD & CEO^^
ED & CFO ^
Head – Treasury
Head- Operation*
Head – Retail Banking**
Ex-Dy. CEO & Head of Business#
Head – Corporate Banking***
Head- Operation##
Head - IT

^DOJ - 19-Nov-2024
*DOJ - 26-09-2025
**LWD - 18-Jul-2025
#LWD - 31-07-2024
***DOJ - 23-08-2024 & LWD - 18-03-2026
##LWD - 30-Apr-2025
^^LWD -16-Nov-2023

Particulars	Amount – INR Mio
Total GROSS	96.18
Variable Pay	15.35
Deferred Variable Pay	4.01
Total PF	4.82
Total NPS	-
Total Gratuity	-
Total CAR PERK	0.09
LOAN_PERK	-
Club Perk	0.03
PF Perk-Above 7.5 Lakhs	0.70
PF Int. Perk	0.06
Total	**121.24**
Deferred Pay - to be paid in Apr 2026, 2027 & 2028	17.62

I	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	3.09
J	Total amount of reductions during the financial year due to ex- post explicit adjustments	3.09
K	Total amount of reductions during the financial year due to ex- post implicit adjustments	-

16. Equities – Disclosure for Banking Book Positions

The Bank does not have any equity under the Banking Book (HTM). Bank's Investment in Equity under the Trading Book was NIL as on 31st March 2026.

17. Summary comparison of accounting assets vs. leverage ratio exposure measure

	Item	(₹in Million)
1	Total consolidated assets as per published financial statements	1,14,447
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	11,953
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	24,404
7	Other adjustments	204
8	Leverage ratio exposure	1,51,008

18. Leverage Ratio as on 31st March 2026

	Item	(₹in Million)
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,14,651
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1,14,651
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	4,295
5	Add-on amounts for PFE associated with all derivatives transactions	7,657
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-

18. Leverage Ratio as on 31st March 2026

	Item	(₹in Million)
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	11,953
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	56,931
18	(Adjustments for conversion to credit equivalent amounts)	-32,527
19	Off-balance sheet items (sum of lines 17 and 18)	24,404
	Capital and total exposures	
20	Tier 1 capital	8,499
21	Total exposures (sum of lines 3, 11, 16 and 19)	1,51,008
	Leverage ratio	
22	Basel III leverage ratio	5.63%

For SBM Bank (India) Limited

Mr. Ashish Vijayakar

Managing Director &
Chief Executive Officer

SBM Bank (India) Ltd.
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CIN No.: U65999MH2017FLC293229