Capital Small Finance Bank

Great Place To Work. Certified SEP 2025-SEP 2026 INDIA

CSFB No. 2026-27/117 **May 28, 2026**

BSE Limited
Listing Compliance
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Maharashtra

National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 051
Maharashtra

Scrip Code: 544120, 951995 & 953739 **Symbol: CAPITALSFB**

Subject: Annual Report for the FY 2025-26

Dear Sir/Madam,

Pursuant to SEBI (LODR) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2025-26, the same is available on the website of the Company i.e. www.capital.bank.in

The Schedule of 27th AGM of the Company is as under: -

Event	Date	Time (IST)
Cut-off date to determine eligible members for voting on AGM Resolution(s)	Thursday, June 18, 2026	NA
Commencement of E-Voting	Monday, June 22, 2026	09:00 AM
End of E-voting	Wednesday, June 24, 2026	05:00 PM
Annual General Meeting	Thursday, June 25, 2026	04:00 PM

This is for your information and record.

Thanking you,

Yours Truly,

For Capital Small Finance Bank Limited

Amit Sharma

Digitally signed by Amit Sharma
DN: c=IN, o=Personal, postalCode=141010, st=Punjab, serialNumber=714e67af2c56cb3a137a0e626667dd2dc0ee0473e2d537fe0d595999604af844, cn=Amit Sharma
Date: 2026.05.28 16:02:08 +05'30'

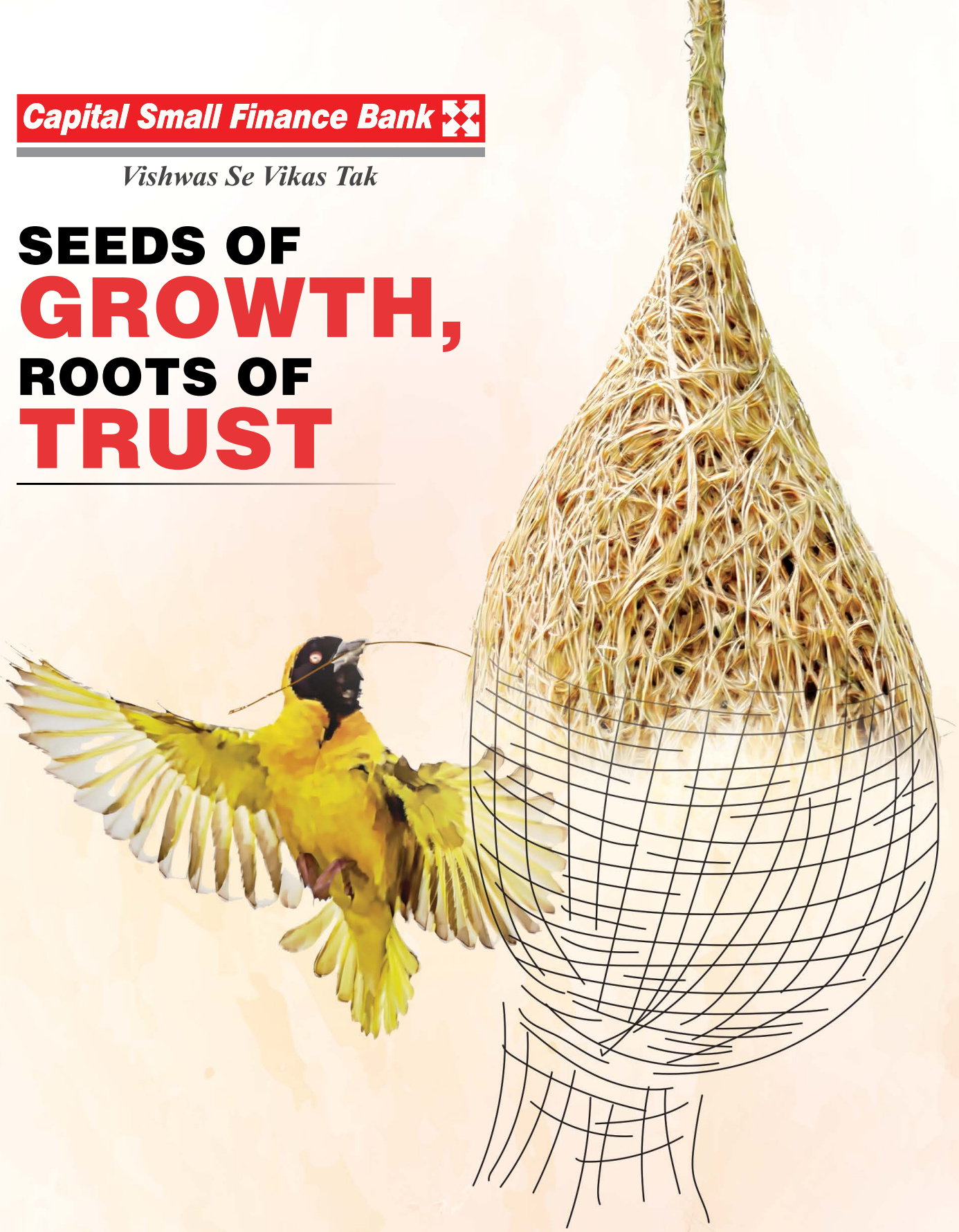
Amit Sharma
Company Secretary and Compliance Officer
Membership No: FCS10888

Encl: as above

Capital Small Finance Bank

Vishwas Se Vikas Tak

SEEDS OF GROWTH, ROOTS OF TRUST



Capital Small Finance Bank

Annual Report 2025-26

Across the Pages

Corporate Overview 02-67

Foundation of Inclusion, Pathway to Progress	2
Enduring Trust, Dynamism of Growth	4
Letter from the Managing Director and Chief Executive Officer	8
Letter from the Executive Director	12
Resilient Funding, Sustainable Actions	16
Shaped by Enablers, Driven by Opportunities	20
Focus on Accessibility, Emphasis on Flexibility	22
Strength in Numbers, Disciplined in Growth	26
Guided by Experience, Steered by Prudence	32
Relationships that Last, Touchpoints that Empower	38
Robust in Process, Reliability in Outcomes	42
Differentiated in Solutions, Rooted in Trust	44
Responsible Innovation, Consistent Impact	48
Thrust on Phygital, Emphasis of Reach	54
Dedicated to Stewardship, Committed to Sustainability	56
Invested in People, Committed to Progress	58
Driven by Responsibility, Guided by Reliability	62
Consistent Collaboration, Enduring Impact	64
Awards that Inspire, Recognitions that Encourage	66
Corporate Information	67

Statutory Reports 68-175

Management Discussion and Analysis	68
Board's Report	94
Corporate Governance Report	125

Financial Statements 176-242

Independent Auditor's Report	176
Balance Sheet	182
Profit and Loss Account	183
Cash Flow Statement	184
Schedules Forming Part of the Financial Statements	185

Scan this QR Code to access the Investor Relations page

Investor Information

CIN	L65110PB1999PLC022634
BSE Code	544120
NSE Symbol	CAPITALSFB
Dividend Declared	₹5
AGM Date	June 25, 2026
AGM Mode	Video Conference (VC)/ Other Audio-Visual Means (OAVMs)

Disclaimer: This document contains statements about expected future events and financials of Capital Small Finance Bank ('The Bank'), which are 'forward-looking'. By their nature, forward-looking statements require the Bank to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

SEEDS OF GROWTH, ROOTS OF TRUST

At Capital Small Finance Bank, our journey reflects a fine balance between aspiration and discipline, built on close customer connect and engagement, prudent lending, and a strong deposit franchise. Over time, these strengths have shaped a stable institution, reflecting our course of steady growth and resilience. A legacy of enduring customer relationships continues to steer our trajectory as we widen our reach and strengthen our presence within India's banking ecosystem.

We focussed on building right through disciplined execution, consistent decisions, and clear intent. Today, with the seeds of growth sown and roots of trust strengthened, we stand prepared for a faster, more confident growth journey ahead. With disciplined expansion across MSME, mortgage, and agricultural credit, we drive financial inclusion for conventionally underserved segments. By addressing the banking needs of households, farmers, and small businesses, we facilitate broader participation in economic progress while creating scalable growth opportunities.

This momentum is nurtured by the roots of trust that define our institution. Continuous growth of our branch network across proximate markets speaks volumes about the confidence our customers place in us. Alongside this physical presence, we are fortifying our digital capabilities to make banking more accessible, responsive, and efficient, thereby cementing our role in India's regional economy. At the same time, we continue to strengthen our liability franchise and elevate the stability of our granular funding base.

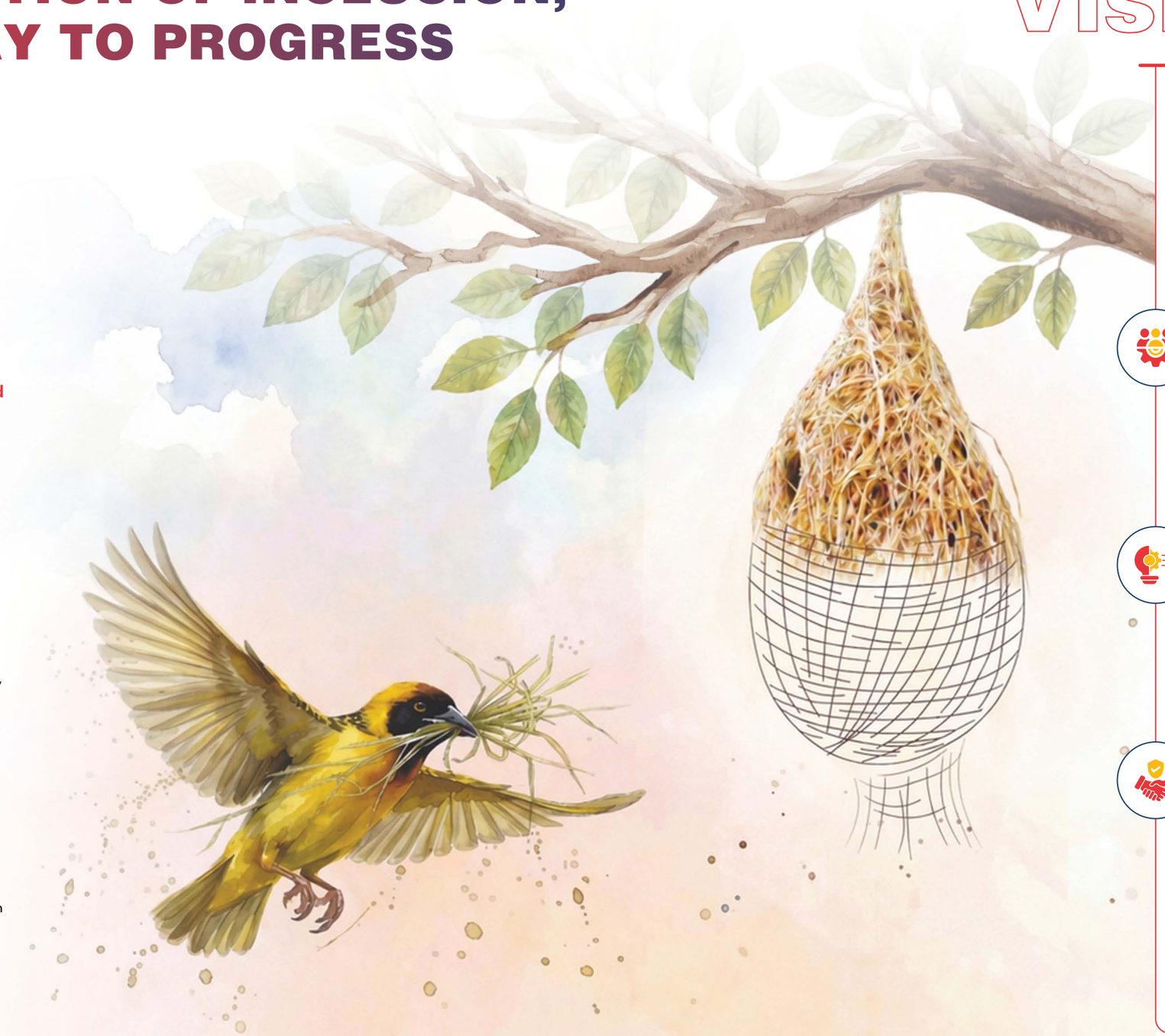
As we move ahead, we remain focussed on sustaining portfolio quality, improving operational efficiency, and maintaining balance sheet discipline. Across customer touchpoints, the Seeds of Growth we sow and the Roots of Trust we nurture consistently foster a future driven by resilience, inclusion, and lasting value.

FOUNDATION OF INCLUSION, PATHWAY TO PROGRESS

At Capital Small Finance Bank, we continue to drive financial inclusion by engaging with communities that remain underserved by conventional banking institutions. By offering need-based financial solutions and adhering to responsible lending practices, we strive to extend banking and credit access to middle-income households, entrepreneurs, farmers, and small businesses. Through this approach, we empower them to achieve their goals while contributing to sustainable economic progress.

Over the years, we have built a strong liability franchise supported by a healthy CASA ratio and a diversified deposit base. This sound foundation allows us to extend credit across MSME, mortgage, and agri-lending segments, helping customers strengthen their livelihoods and grow their businesses.

By blending prudence with compliance and operational discipline, we ensure resilience across market cycles. With a sustained focus on building an institution that creates long-term value, we deliver inclusive and responsible banking solutions to our customers.



Vision

To provide **SUPERIOR** banking service, **FOCUSSED** on customers' needs.

To contribute to the economic **DEVELOPMENT** of the area through innovative ideas, **TECHNOLOGY**, and new products.

To maintain a long-lasting and **TRUSTWORTHY** relationship with the local community.

ENDURING TRUST, DYNAMISM OF GROWTH

We bring over 25 years of trust and experience, reflecting a journey of steady growth and resilience. Our transition into India's first Small Finance Bank in 2016 was built on the foundation of Capital Local Area Bank, established in 2000, which came to be recognised as the largest and most successful institution of its kind. This legacy continues to shape our journey as we widen our reach and strengthen our presence within India's banking ecosystem through strong customer relationships, grassroots understanding, and a dynamic approach.

2000

Commenced operations in Jalandhar, Kapurthala, and Hoshiarpur as a Local Area Bank

2011

Crossed ₹1,000 crores in total business

2013

Expanded operations to Ludhiana and Amritsar, extending our reach across five districts

2016

- Began operations as an SFB
- Achieved total business exceeding ₹2,500 crores

2017

Raised ₹65 crores in equity through private placement

2018

Widened network to cross the 100-branch milestone

2019

Surpassed ₹6,000 crores in total business

2020

Secured ₹134 crores in equity through private placement

2021

- Broadened the customer base to approximately 6 lakh accounts
- Scaled ₹8,900 crores in total business

Milestones

2026

- Completed ten years as India's first Small Finance Bank, marking a significant institutional anniversary
- Deposits crossed the ₹10,000 crores milestone, with advances reaching ₹8,687 crores—reflecting over 20% year-on-year growth
- Net profit rose to ₹141.4 crores for FY26, sustaining the profitability trajectory

2025

- Fortified profitability and growth momentum in the first-year post listing, with net profit reaching approximately ₹132 crores, total business exceeding ₹13,500 crores and CASA deposits exceeding ₹3,000 crores
- Registered a disbursement of ₹2,846 crores, with year-on-year growth crossing 38%
- Intensified presence in North India with sharper focus on the middle-income segment
- Initiated partnership-led secured lending using a First Loss Default Guarantee (FLDG) framework

2024

- Listed on NSE Limited and BSE Ltd.
- Generated over ₹100 crores in net profit, marking a new profitability milestone
- Formed a strategic partnership with Edelweiss Life Insurance to enhance financial solutions, offering tailored life insurance products and strengthening customer trust
- Marked presence in the Union Territory of Jammu & Kashmir

2023

- Exceeded ₹93 crores in net profit, reflecting a 50% year-on-year growth, with total business crossing ₹12,000 crores
- Elevated the share of digital transactions in non-cash transactions to 81%

2022

Increased net profit to ₹63 crores, marking a 53.42% year-on-year growth

Geographic Distribution

We steadily expanded our network across North India through a disciplined and seamless expansion strategy. Today, we operate across Punjab, Haryana, Rajasthan, NCR, Himachal Pradesh, Chandigarh, and Jammu & Kashmir, creating a connected regional footprint that supports both operational efficiency and stronger market engagement.

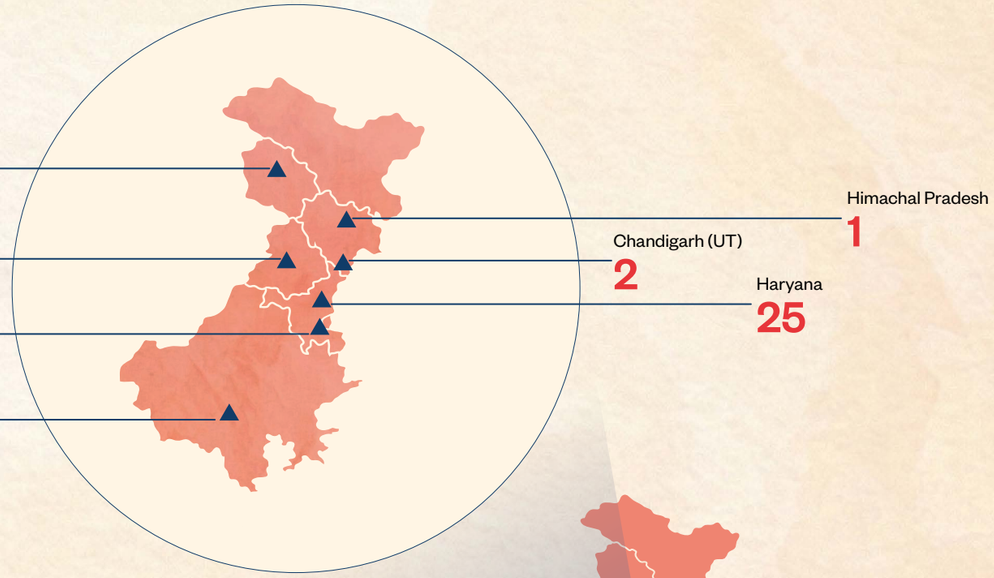
By growing through geographically aligned clusters, we maintain close customer relationships and deliver personalised, full-service banking. This model enables us to stay responsive to local needs, while supporting small businesses and households with relevant financial solutions. Through this approach, we make significant contributions to the economic progress of the regions we serve.

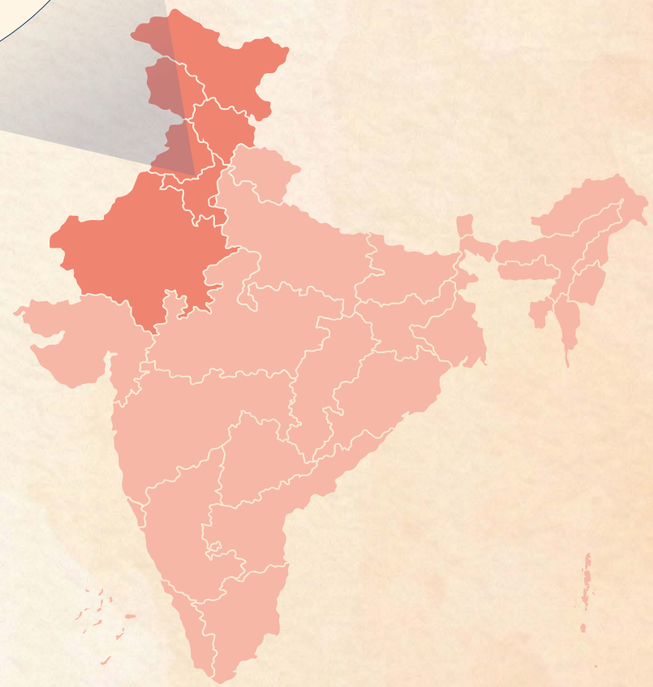
7
States and UTs

211
Branches

41
Districts

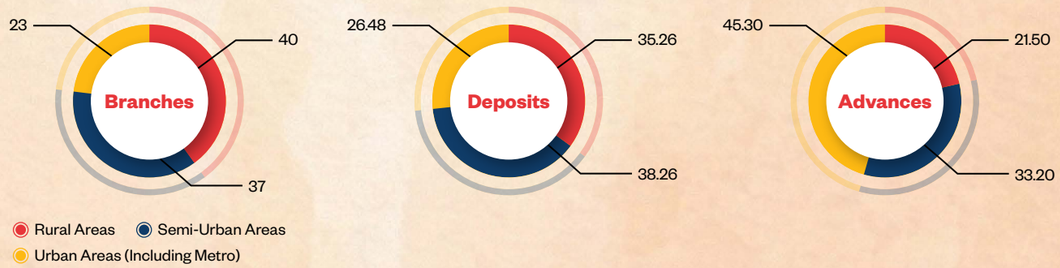
No. of Branches





Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographic features/states do not necessarily reflect the actual position. The Bank or any of its directors, officers or employees cannot be held responsible for any kind of misuse or misinterpretation of any information or design thereof.

Break-up of Branches, Deposits and Advances (in %)



Management Message

LETTER FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

> Growth, for us, goes beyond metrics: it embodies a disciplined pursuit of progress, rooted in trust and thoughtfully cultivated over time. What defined this year was not only scale but also the strength of our foundation—built with trust, discipline and consistency.

Dear Stakeholders,

Every phase of growth begins with a foundation of trust. At Capital Small Finance Bank, our journey has been shaped by enduring relationships and an approach that balances growth with stability. Guided by our theme, 'Seeds of Growth, Roots of Trust', we continued to strengthen these foundations during FY26. The year witnessed steady progress across our business while remaining firmly anchored in our core values.

As we mark ten years as a Small Finance Bank, we reflect on the journey that began over two decades ago with our origins as a Local Area Bank. Throughout this period, our progress has been shaped by trusted relationships, steady growth, and a lasting bond with the communities we serve.

Over the years, we have built a banking model anchored in strong customer relationships, prudent lending, and a stable retail deposit base. This foundation continues to support our growth and reflects our belief that enduring banking franchises are built on stable funding, prudent credit practices, and deep customer relationships.

The Forces Moving the Economy

The operating environment during FY26 remained broadly supportive. Global stability improved and inflation moderated across major economies, contributing to more predictable interest rate trends. In this context, India continued to demonstrate strong economic resilience, supported by robust domestic demand, sustained Government capital expenditure, and inflation gradually aligning within the Reserve Bank of India's target range. These conditions provided a stable foundation for growth across the banking sector. Having said that, global geopolitical risks continued to loom large, adding an element of uncertainty to the overall growth and inflation dynamics.

Monetary policy remained conducive to expansion, with the Reserve Bank of India adopting a balanced and pro-growth approach. In the RBI's latest monetary policy review in April 2026, the policy repo rate was retained at 5.25%, following earlier rate reductions (having reduced the Repo Rate by a cumulative 125 basis points—from 6.50% to 5.25%), which supported liquidity conditions and enabled a favourable environment for investment and credit growth, while maintaining pro-growth policy stance. Against this backdrop, the outlook for the Indian economy remains encouraging, supported by improving rural demand and continued investment activity.

For Small Finance Banks, these conditions continue to create opportunities, particularly in secured retail and small business lending segments. Credit demand across agriculture, MSMEs, and mortgage lending remains healthy, especially in markets where formal credit penetration is still evolving. These segments remain closely aligned with India's broader growth trajectory and provide a meaningful runway for strategic expansion.

Within this environment, Capital SFB remains well placed, supported by its granular and retail-led liability franchise, stable CASA base, and balanced approach to deposit pricing. These strengths continue to support funding stability while enabling the Bank to pursue growth across its core focus segments. These include agriculture, MSMEs, and mortgage lending, in a prudent and sustainable manner.

Sustained Momentum with a Clear Strategic Focus

Our performance during FY26 reflected the strength of a banking model built on selectivity, security and relationships. Gross advances increased to ₹8,686.77 crores, representing year-on-year growth of about 21%, supported by healthy demand across agriculture, MSME and mortgage lending. These segments remain closely linked to real economic activity and the everyday financing needs of our customers, enabling us to grow in a manner that is both relevant and resilient.

The secured nature of our portfolio continues to be a defining strength, with nearly 98% of loans backed by tangible collateral. This structural feature provides an important layer of stability across economic cycles while allowing us to pursue growth with prudence. At the same time, the increasing contribution from markets outside Punjab reflects the gradual broadening of our franchise beyond its traditional base. Advances originating from states outside Punjab continue to increase, underscoring the growing acceptance of our banking model in newer markets.

An equally important priority has been improving the deployment of deposits into segments that offer stronger risk-adjusted returns. The portfolio mix across agriculture, MSME and mortgage lending reflects this measured approach, allowing the Bank to participate in higher-yield opportunities while maintaining the secured character of the balance sheet. As the franchise continues to expand, this portfolio strategy is expected to support gradual improvement in margins and overall earnings quality.

We have accelerated our growth trajectory while maintaining sustainability and robust risk metrics. Asset quality improved during the period, with Gross NPAs at 2.54% and Net NPAs at around 1.24%, from 2.58%/1.30% in FY25, reflecting the continued strength of our underwriting approach and our focus on disciplined monitoring and recoveries. These indicators reaffirm the resilience of our secured lending model and the prudence embedded in our credit processes.

On the liabilities side, deposit growth remained healthy and broadly aligned with advances growth. Total deposits increased to approximately ₹10,018 crores, reflecting year-on-year growth of about

> At Capital SFB, we believe sustainable growth comes from responsible choices in how we lend, operate, and expand. Over the past year, we have strengthened our ESG orientation by advancing the digitisation of our banking processes, reducing paper usage, improving operational efficiency, and lowering the environmental footprint of routine banking activities. We have also continued to enhance energy efficiency across our branch network and engage vendors who meet regulatory and compliance standards.

20%. A granular, predominantly retail deposit base remains one of our defining strengths, providing stability to our funding profile and enabling us to pursue growth while maintaining balance sheet discipline.

The Bank also continues to maintain a comfortable capital position. Our capital adequacy ratio remained strong at 22.31% providing sufficient headroom to support future expansion while maintaining a prudent risk posture.

These priorities are guided by our long-term roadmap under Vision 2029, which focusses on building a larger, more diversified and consistently profitable institution while preserving the prudence that has defined our journey so far. As we move forward, our emphasis remains on strengthening branch productivity, deepening customer relationships, selectively expanding into new markets, and improving profitability through a better portfolio mix and enhanced operating efficiency.

Expanding with Reach, Relationships and Technology

Our growth strategy is anchored in a balanced combination of branch expansion, technology-led delivery, and a clear focus on the financial needs of middle-income customers. This integrated model enables us to deepen relationships in existing markets while expanding into new geographies with discipline and purpose.

In FY26, our branch network continued to expand in line with this contiguous approach. Crossing the milestone of 200 branches marked not just an increase in scale, but also a meaningful strengthening of our distribution franchise. Our branch additions were guided by adjacency, demographic relevance, and long-term business potential, allowing us to build density in markets where customer relationships, local understanding, and operating efficiency reinforce one another.

This approach also supports better portfolio quality, stronger deposit mobilisation, and more effective customer engagement over time. Aligned with our Vision 2029 roadmap, which targets an advance book of over ₹16,000 crore, a 1.5x expansion in the branch network to over 300 branches, an RoA of 1.60%++, and an RoE of 15%++, while endeavouring to maintain NNPA and credit cost below 1% and 0.3%, respectively, we will continue to expand in a contiguous manner, with a clear emphasis on deepening our presence in existing markets and entering select new geographies where the opportunity is both attractive and strategically relevant.

Technology is steadily strengthening the way we serve, scale, and operate. Our investments are focussed on making banking more responsive, improving turnaround times, and simplifying everyday interactions for customers resulting in a consistently increasing share of digital transactions. This, while preserving the relationship-led character of our franchise, is helping improve efficiencies and scale the business simultaneously. As digital adoption deepens, routine transactions and service requests are increasingly moving to convenient self-service channels, allowing our branches to focus more meaningfully on relationship deepening and business generation. At the same time, greater use of data and technology is helping us sharpen decision-making, improve monitoring, and engage customers more effectively. This enables us to build an operating model that is more agile and scalable while strengthening service consistency and operational control.

As these investments strengthen how we serve and engage, they also advance a broader strategic objective: becoming the primary banking partner for middle-income customers. Today, we serve a growing base of over 7.85 lakhs customers, and our focus is on strengthening these relationships by addressing their everyday financial needs through a broad and integrated product offering. Our branches function as full-service touchpoints, offering agriculture loans, MSME finance, mortgages, and third-party distribution products. This relationship-led approach supports a highly granular, predominantly retail deposit base, with retail deposits accounting for over 90% of total deposits. In doing so, it creates enduring franchise value by allowing customer relationships, product penetration, and funding stability to strengthen together.

Building a Responsible Bank

At Capital SFB, we believe sustainable growth comes from responsible choices in how we lend, operate, and expand. Over the past year, we have strengthened our ESG orientation by advancing the digitisation of our banking processes, reducing paper usage, improving operational efficiency, and lowering the environmental footprint of routine banking activities. We have also continued to enhance energy efficiency across our branch network and engage vendors who meet regulatory and compliance standards.

Our business model naturally supports responsible finance. With a strong focus on collateral-backed lending and a significant presence in semi-urban and rural markets, we aim to expand access to formal credit in a prudent and disciplined manner. More than 75% of our branches operate in rural and semi urban regions, reflecting our commitment to inclusive growth while maintaining sound risk practices.

For us, sustainability is closely linked to long-term stability and value creation. By combining responsible lending with efficient, technology-enabled operations and strong governance practices, we continue to build a resilient institution that supports our customers, strengthens our communities, and delivers enduring value for all stakeholders. Responsibility for us, therefore, extends beyond compliance; it is embedded in how we originate, monitor, expand, and serve.

Charting the Path Ahead

Vision 2029 defines our next phase of growth: building a larger, more diversified, and consistently profitable institution without diluting the prudence that has shaped our franchise. The path ahead is clear: accelerated, sustainable growth anchored in strong and prudent risk metrics, stronger branch productivity, deeper primary banking relationships, and a wider presence across high-potential semi-urban markets beyond Punjab.

Our medium-term ambition is to scale advances to over ₹16,000 crore, expand the branch network to more than 300 outlets, and improve profitability and efficiency, with RoA exceeding 1.6% and RoE above 15%, while maintaining a conservative risk profile with Net NPAs below 1% and credit costs under 0.3%. FY27 will be an important step in this journey, with a focus on accelerating quality growth, improving margins through the repricing of higher-cost deposits, extending reach through partnership-led secured lending, and building stronger liability traction in newer markets.

Gratitude for Guidance and Support

As we conclude the year, I extend my sincere appreciation to all our stakeholders, including our regulators, Board members, shareholders, customers, and employees, whose continued confidence has shaped our progress. Your trust remains the foundation of our journey and continues to inspire us to grow with responsibility and purpose.

Behind every milestone stands the dedication of our people. Deeply connected to the communities we serve, our teams embody the values that define Capital Small Finance Bank: integrity, professionalism, and a strong sense of ownership. We remain committed to strengthening their capabilities and fostering a culture grounded in accountability, agility, and long-term thinking. It is this collective commitment that enables us to translate our vision into meaningful and consistent outcomes.

With a strong foundation in place and a strategy aligned with emerging opportunities ahead, we remain well placed to pursue the next phase of our growth journey with confidence and determination. Guided by the trust placed in us and strengthened by our shared commitment, we will continue to build a resilient institution focussed on creating enduring value for all our stakeholders.

Warm Regards,

Sarvjit Singh Samra
Managing Director and Chief Executive Officer

LETTER FROM THE EXECUTIVE DIRECTOR

> Our deposit base reached ₹10,018 crores, delivering a strong 14% CAGR, reflecting the strength of our expanding retail franchise. Retail deposits account for 90% of the total deposit base, demonstrating the stability and depth of our customer relationships. This growth is further supported by a healthy CASA ratio of 34.7% and a robust rollover rate of ~90%, reinforcing the consistency and resilience of our funding profile.

Dear Stakeholders,

During FY26, marked a meaningful milestone in Capital SFB's journey as we celebrated 26 years of building an enduring franchise and a decade operating as a Small Finance Bank. This occasion reflects the steady evolution of a purpose-driven institution, guided by its core philosophy: stable in performance, scalable in ambition, and sustainable in impact. Despite a dynamic economic environment, the Bank remained committed to its core philosophy of relationship-led banking and secured lending. Our continued emphasis on granular deposits, prudent credit practices, and customer-centric solutions reinforces the foundations of a sustainable and scalable growth model.

STABLE: Standing Strong Amid Uncertainty

FY26: Strength in Headwinds

India is positioned to remain the fastest-growing large economy, with domestic demand acting as the principal counterweight to global volatility. The new GDP series places fiscal 2026 growth at an estimated 7.6%, reinforcing that India's expansion retains real traction even through a turbulent global cycle. The Reserve Bank of India (RBI) has used the opportunity to ease monetary policy and lower borrowing costs. Fiscal policy has reinforced growth support—tax cuts and increased direct benefit transfers have lifted disposable incomes, whereas public infrastructure capital expenditure (capex) has stayed firmly on course.

For Capital SFB, this was an opportunity to demonstrate the resilience of our model and the clarity of our strategy. We navigated this landscape with agility and discipline delivering strong growth while deepening operating efficiency and controlling cost.

Secured retail lending segments such as Business loans/MSME, LAP and agriculture loans, remained consistent drivers of credit growth. These segments are closely aligned with real economic activity and provide lenders with opportunities to build granular portfolios while maintaining collateral coverage and prudent underwriting standards.

Small Finance Banks have steadily strengthened their role within this expanding credit ecosystem. With expanding presence in semi-urban and rural markets, SFBs continue to expand access to formal credit while maintaining a relationship-driven approach and granular portfolio structures that support long-term stability.

Against this backdrop, Capital SFB remains well positioned to benefit from the favourable operating environment. Our focus on secured and relationship-driven lending, supported by a stable retail deposit base, provides a strong foundation to participate in sector growth while maintaining prudent risk standards. We believe that stable macroeconomic conditions, improving credit demand, and our disciplined operating approach will continue to support measured expansion and long-term value creation.

Sustained Momentum in Credit Growth

Prudent Lending Philosophy

Capital SFB remains steadfast in its commitment to conservative and risk-mitigated lending practices. Even as we pursue growth, we maintain stringent underwriting standards and robust risk management frameworks to ensure asset quality and long-term sustainability.

Gross advances grew to ₹8,687 crores in FY26, reflecting a healthy y-o-y growth trajectory of 21% driven by sustained demand across core lending segments and a calibrated origination strategy. The Bank remains committed on delivering growth in excess of 20%, supported by a strong pipeline and disciplined underwriting standards while maintaining healthy asset quality.

Importantly, this growth continues to be driven by customer-led demand rather than balance sheet acceleration. Which, in turn, is helping ensure that portfolio expansion remains aligned with disciplined underwriting and long-term asset quality. Origination continues to be supported by our core lending segments, particularly MSME & Trading, Residential Mortgages & Agriculture and Allied Activities. Strong borrower relationships and familiarity with local markets helps sustain consistent credit expansion in these segments.

Secured Lending as a Strategic Pillar

~98% of our loan book comprises secured lending, positioning us among the most conservatively structured SFBs in India. This strategic focus provides a strong risk cushion and aligns with our objective of sustainable portfolio growth while minimising credit risks.

In line with our consistent and prudent credit philosophy, we have no direct exposure to the microfinance segment, with only minimal indirect exposure through select counterparties.

SCALABLE: Building with Structure, Reach and Discipline

Strong Retail Liability Franchise

Capital Small Finance Bank (CSFB) has established a robust retail deposit base, primarily driven by its deep-rooted presence and relationship-driven approach across rural and semi-urban markets, while also maintaining a growing urban and metropolitan customer base. Our strategy of customer-centric banking has enabled us to consistently mobilise stable, low-cost deposits.

Our deposit base reached ₹10,018 crores, delivering a strong 20% YoY growth, reflecting the strength of our expanding retail franchise. Retail deposits account for 90%+ of the total deposit base, demonstrating the stability and depth of our customer relationships. This growth is further supported by a healthy CASA ratio of 34.7% and a robust rollover ratio of ~90%, reinforcing the consistency and resilience of our funding profile.

The consistency of our deposit franchise provides a solid foundation for accelerated prudent credit expansion. It enables us to grow our lending portfolio while preserving margin quality and balance sheet strength. Looking ahead, we are reimagining our liability strategy to strengthen customer engagement

and expand share of wallet. Through personalised interactions, enhanced savings solutions, and integrated product offerings, we aim to address both everyday transaction needs and long-term financial goals. This approach is designed to deepen customer relevance while progressively improving the overall quality and stability of our funding mix.

Steady Financial Progress

FY26 reflects the steady strengthening of our franchise and the benefits of disciplined execution. Profit After Tax increased to ₹141 crores, delivering a CAGR of 26%. As our branch network matures and productivity improves, operating leverage is increasingly visible in our cost structure and profitability trajectory. As newer branches mature and customer relationships deepen, we expect further productivity gains across both assets and liabilities, enabling stronger operating efficiency across the franchise over the coming years.

FY26 is characterised by declining interest rate environment whereby, benefit of interest rate decline passes to advance clients on immediate basis and for deposit benefit gets accrued with a lag effect i.e. on the respective maturity. On this backdrop, decline in efficiency ratio was observed in initial period of the year and by end of the year margins have started showing upward trajectory. Accordingly, operating margins improved to 2.1% in Q4FY26 vs 1.9% in Q4FY25 (calculated as % to average assets), supported by NIM expansions and operating efficiencies. The Return on Assets for Q4FY26 improved to 1.33% against 1.16% of Q3FY26 and 1.36% in Q4FY25. The RoA for the year stood at 1.23%.

Our funding strategy remained measured and balanced. Cost of deposits and overall cost of funds were maintained at 5.9% and 6.0%, respectively, demonstrating prudent liability management and calibrated asset deployment. Cost of deposit has started showing declining trend and stood at 5.75% in Q4FY26 against 5.86% in Q3FY26 i.e. a quarter back, backed by initial start of deposit repricing.

> Our Primary Banker philosophy further enhances credit discipline by maintaining close engagement with borrower cash flows, enabling stronger underwriting insight and effective monitoring. Credit appraisal is guided by a clearly defined assessment matrix and a conservative Loan-to-Value approach.

The credit deposit ratio improved steadily, signalling more efficient capital utilisation. With a Liquidity Coverage Ratio of 211.0%, we retain ample liquidity to support expansion without compromising prudence. We have effectively managed yields and interest spread across interest rate cycles.

Maintaining Strong Asset Quality

Safeguarding asset quality remains one of our highest strategic priorities. Our approach to growth prioritises portfolio quality, with a clear preference for building a granular, well-secured portfolio over pursuing scale through higher-risk or unsecured segments. A defining strength of our balance sheet is its high degree of collateralisation. Approximately 98% of our loan book is backed by collateral, with around 89% of our non-corporate portfolio is being collateralised by immovable property or bank FDRs .

Our Primary Banker philosophy further enhances credit discipline by maintaining close engagement with borrower cash flows, enabling stronger underwriting insight and effective monitoring. Credit appraisal is guided by a clearly defined assessment matrix and a conservative Loan-to-Value approach. Larger exposures are evaluated through a committee-based framework and are subject to enhanced monitoring, ensuring multiple layers of oversight.

Asset quality improved and remained well-managed during the quarter, with gross NPA stood at 2.54% and Net NPAs at 1.24%. Credit cost for the quarter stood at 0.26% and is consequent to enhanced PCR ratio to 51.89% as of March 31, 2026. Write-offs remained almost NIL, supported by our policy of zero NPA sell-offs. This highlights our prudent credit risk management, effective recovery efforts, consistent portfolio performance and reaffirming the quality and resilience of our portfolio. We remain vigilant to external and sector-specific risks. Our geographic exposure and prudent lending practices help mitigate environmental disruptions. Any stress in specific borrower segments is addressed swiftly through targeted recovery efforts, preserving overall portfolio stability.

Strengthening Our Distribution Network

Our growth strategy continues to be anchored in a branch-led acquisition model that prioritises granular, retail-focussed expansion across both assets and liabilities. Central to this approach is a clear ambition to become the Primary Banker for middle-income customers. We plan to achieve this by building enduring relationships built on trust, accessibility, and service excellence.

Our branch expansion strategy has been driven by a focus on contiguous growth to create a cohesive and operationally synergistic branch network. Having established a strong foundation in our core operational regions, we are now positioned to accelerate expansion in neighbouring states and also sowing the seeds in newer geographies

As of FY26, our network spans 211 branches across five states and two Union Territories. Punjab remains the core of our franchise, with 172 branches anchoring our presence. On the other hand, Haryana has emerged as an important growth market, where we have established 25 branches and are scaling further in the near term by extending a model that has already proven effective. Our footprint also covers Rajasthan, Delhi NCR, Jammu & Kashmir, Chandigarh, and Himachal Pradesh. Importantly, 77% of our branches are located in semi-urban and rural markets, contributing 74% of our total deposit base and underscoring the strength of our SURU-focussed expansion strategy.

Across our network, we are reshaping the branch experience to be relationship-led rather than transaction-driven. Through structured customer profiling, strengthened relationship management frameworks, and personalised engagement strategies, our teams are increasingly positioned as financial partners rather than service counters.

Our single-window delivery approach ensures customers receive comprehensive solutions through a familiar point of contact. Frontline teams, drawn from the communities we serve, bring contextual understanding that enables continuity and trust in every interaction. Our credit offerings are designed to provide meaningful access to capital, supporting aspiration-led growth for households and businesses alike.

Looking ahead, Vision 2029 sets out a judicious expansion path of 300+ branches with a clear focus on geographic diversification. This includes a target of over 30% of branches outside Punjab by FY29. We are preparing to enter Uttar Pradesh and also evaluating Gujarat as a future strategic frontier. Thereby, broadening our footprint while preserving disciplined execution.

The benefits of this approach are already visible. As these branches mature, we expect meaningful operating leverage and better efficiency. Our medium-term objective remains clear: to double the size of the business while expanding the branch network by 1.5 times, thereby improving the opex-asset ratio and supporting profitability.

Technology as a Growth Frontier

In FY26, our digital transformation entered a more decisive phase. Technology is now deeply embedded in our operating model, strengthening execution, improving risk oversight, and enhancing customer experience.

Customer behaviour continues to shift rapidly towards digital channels. With 91% of non-cash transactions now taking place digitally, we are witnessing sustained adoption across urban, semi-urban, and rural markets. This reinforces our focus on building platforms that are intuitive, reliable, and scalable across onboarding, payments, servicing, and engagement.

Data and analytics are central to this transformation. Integrated decision engines are sharpening credit assessment, predictive models are strengthening portfolio monitoring, and structured early warning systems are enabling earlier identification of stress while improving collection efficiency. Together, these capabilities are strengthening risk governance and supporting more precise, well-organised growth.

Operationally, automation across back-end processes is reducing turnaround times, improving accuracy, and enhancing governance standards. This enables our teams to focus more on advisory and relationship-led engagement, while our balanced distribution model ensures that digital capabilities strengthen branch effectiveness and expand reach without weakening the human connection that defines our franchise.

Seeds of Growth. Roots of Trust.

Looking ahead, our focus remains on building a larger, more resilient Capital SFB through accelerated, sustainable growth. We aim to scale our advance book to over ₹16,000 crore by FY29, supported by continued expansion across secured segments such as MSME, agriculture, and mortgage lending.

Asset quality discipline will remain central to our strategy, with an endeavour to maintain NNPA below 1% and credit costs below 0.3% by FY29. Growth and prudence will move in tandem, with risk management frameworks strengthening alongside portfolio expansion.

We expect gradual margin improvement through repricing-led moderation in deposit costs and a more efficient credit-deposit profile. This, while continuing to strengthen our granular retail deposit franchise and CASA mix.

Our branch expansion will remain measured, with deeper penetration in existing markets and a target of 300+ branches by FY29. This expansion will support stronger deposit mobilisation, broader customer reach, and greater regional diversification.

As the franchise scales, our focus will remain on a better portfolio mix, stronger operating efficiency, and prudent balance sheet management. Thereby ensuring that growth remains anchored in trust.

Gratitude and Commitment

FY26 marks not just the continuation of our journey, but the beginning of a new chapter defined by sharper ambition and purposeful acceleration. Our approach remains simple: grow responsibly, protect asset quality, and build enduring customer relationships that strengthen the franchise over time.

As we celebrate our journey, I extend my sincere gratitude to all who have shaped Capital SFB's growth.

To our employees—your ownership powers our purpose.

To our customers—your trust is our greatest responsibility.

To our partners, shareholders, and stakeholders—your belief fuels our long-term vision.

Together, we continue to build a legacy of growth, trust, and deep connection-moving forward, purpose-led and future-ready.

Warm Regards,

Munish Jain
Executive Director

Business Model

RESILIENT FUNDING, SUSTAINABLE ACTIONS

We build a strong deposit franchise by mobilising granular retail savings and deploying them into well-secured lending across key productive sectors. Through the efficient intermediation of savings into credit, we support the growth of entrepreneurs, small businesses, and local communities. Agile and forward-looking, our business model fortifies funding resilience, fosters sustainable economic outcomes, and ensures long-term value creation for customers and stakeholders.

Who We Serve

- Focus on middle-income households and enterprises
- Strong presence across semi-urban and rural markets
- Robust deposit franchise supporting lending activities
- Stress on secured credit deployment
- Prudent management of portfolio quality

Focus on **SERVING** the **MIDDLE-INCOME** Segments

What We Offer

- Secured lending solutions designed around the financial needs of core customer segments
- Focussed portfolio, spanning mortgage lending (loans against property and housing finance), agriculture and farm-related financing, MSME and working capital solutions for businesses, and corporate lending to NBFCs and MFIs
- Average loan ticket size of around ₹18.3 lakhs with conservative loan-to-value ratios
- Strong liability franchise supported by savings and term deposit products

₹18.3 lakhs
Average Loan Ticket Size

₹1.21 lakhs
Average Deposit Ticket Size

How We Deliver

- Phygital approach integrating branch engagement with technology-enabled services
- Branch network supporting customer acquisition, relationship building, and service delivery
- Digital ecosystem facilitating remote access and digital onboarding
- Operational model driving efficient expansion and improved accessibility
- Organisational discipline delivering consistent banking experiences across diverse customer segments

211 Branches across **7** States and Union Territories

91%
Non-Cash Transactions Completed in FY26 through Digital Channels

Revenue Engine

- Revenue model primarily driven by interest income from a secured and diversified loan portfolio
- Lending focussed on productive and secured segments to support stable earnings and prudent risk management
- Additional non-interest income generated through bancassurance commissions, operational fees, forex and money transfer services, treasury operations, and other fee-based offerings

₹1,048.60 crores
Interest Income in FY26

₹ 98.27 crores
Non-Interest Income in FY26

₹218.04 crores
(up 17% Y-o-Y) PPOP in FY26

Optimising Efficiencies

- Effectively managed yields and interest spread across interest rate cycles. Going forward, targeting NIM expansion supported by decline in deposit cost on repricing, coupled with accelerating the CD ratio
- Improving operating efficiency through scaling and increasing proportion of matured branch mix to optimise operations
- Improve collection efficiency through data-driven early warning systems
- Continued investments fortifying risk management, technology, infrastructure, and regulatory compliance

3%
Opex as a Percentage of Average Assets

Key Activities

- Pursuing a disciplined operational approach focussed on balanced growth and stability
- Mobilising stable deposits and extending secured credit
- Maintaining strong asset quality supported by rigorous risk management and effective collections
- Prioritising lending in productive sectors, including agriculture, MSMEs, and mortgage financing
- Sustaining investments in digital transformation, data analytics, and customer insights
- Strengthening operational capabilities and expanding branch network
- Driving efficiency, improving decision-making, and enabling sustainable long-term growth

₹3,508.31 crores
Loans Disbursed in FY26

2.54%
GNPA

99.79%
Collection Efficiency

1.24%
NNPA

Key Enablers

- Clear market focus enabling close engagement in semi-urban and rural segments
- Experienced team having strong domain expertise and regional understanding
- Technology capabilities supporting seamless digital and branch-led banking services
- Disciplined risk management framework with prudent underwriting and portfolio monitoring
- Structured operating processes driving consistency and resilience
- Strong customer trust resulting in high deposit rollover and long-standing relationships
- Expanding branch and digital ecosystem facilitating scalable growth

2,249
Employees

91.44%
Deposit Rollover Ratio

5 Days
Average Complaint Resolution TaT

Customer Relationships

- Building long-term banking relationships beyond individual transactions
- Pursuing relationship-led approach for MSMEs and business customers through dedicated relationship managers
- Promoting financial literacy to help customers make informed financial decisions
- Using digital platforms to enhance engagement through contextual prompts and insights
- Supporting customers in managing everyday finances more effectively

Partnerships

- Maintaining transparent and constructive engagement with regulatory authorities, including RBI and SEBI
- Forging strategic partnerships with financial service providers to expand product offerings
- Offering third-party financial solutions to complement core banking services
- Collaborating to enable broader customer solutions and support fee-based income growth

0.9%
Non-Interest Income as Percentage to Average Assets

Strengths and Strategies

SHAPED BY ENABLERS, DRIVEN BY OPPORTUNITIES

We continue to build on our funding stability to pursue emerging growth avenues and cement our position within an evolving financial landscape. Our strategy is shaped by three key enablers: advanced technology, talented teams, and a customer-first approach. By consistently investing in these areas, we expand our reach, enhance service quality, and remain agile, while upholding strong values to build a resilient organisation that supports financial inclusion and sustainable growth.

Our Strengths

- Retail-focussed Liability Franchise
- Steady and Sturdy Growth Trajectory
- Professional and Experienced Leadership
- Commitment to Customer Satisfaction
- Streamlined Credit Assessment and Risk Management Processes
- Secured and Diversified Advances Portfolio

Our Strategies

- Organic Loan Book Growth and Secured Lending
- Elevating Liability Franchise
- Expanding Our Brand Outreach
- Strengthening Operational and Profitability Metrics

Strengths & Strategies

Capital SFB @2029

We formalised Vision 2029 during the year as our strategic roadmap to strengthen and scale Capital SFB over the next three years. Through this plan, we aim to double the Bank's business while enhancing profitability and sustaining our industry-leading asset quality, thereby ensuring disciplined and sustainable growth.

From Strong to **Stronger**

VISION FY29

	Progress made during Q4FY26
₹16,000+ crores Advances Book by 2029	₹8,687 crores
Below 1.0%/0.3% Asset Quality NNPA/Credit Cost	1.24%/0.26%
300+ **Branch Network 1.5x** by 2029	211
Profitability Matrix 1.6%++ RoA (Endeavour to Achieve)	1.33%
15.0%++ RoE (Endeavour to Achieve)	11.4%

Retail-Focussed Liability Franchise

FOCUS ON ACCESSIBILITY, EMPHASIS ON FLEXIBILITY

We continue to expand our retail deposit franchise with a sharp focus on trust, accessibility, and strong customer relationships. Through sustained emphasis on granular retail banking and enhanced market engagement, we have created a diversified and stable deposit portfolio that supports resilience and balanced growth. As we move forward, we aim to strengthen this foundation further, while delivering reliable and flexible financial solutions that adapt to customers' changing needs.

Our Strength: Retail-focussed Liability Franchise with a High CASA Share

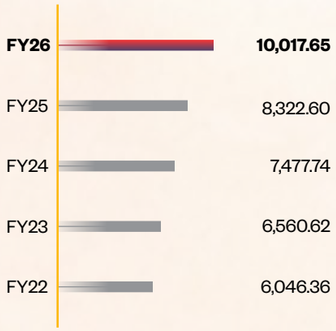
Retail deposits form a stable and cost-efficient foundation for our funding profile, ensuring affordability and strong customer stickiness. This stability helps maintain a healthy CASA mix, strengthening liquidity and supporting the Bank's growth ambitions. Backed by a trusted brand and a clear understanding of evolving customer needs, we provide a wide range of banking solutions for individuals, businesses, and communities. With a continued focus on secured lending and expanding digital capabilities, we aim to deliver accessible, seamless, and customer-centric financial services that nurture lasting relationships and support inclusive growth.

Our Growth in Numbers

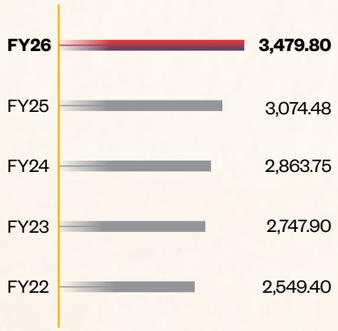
During the year, gross advances registered a ~21% year-on-year increase, driven by sustained traction across segments, with the MSME and LAP portfolios being the key highlights. Deposits grew up ~20% year-on-year, with a healthy CASA ratio highlighting the resilience and granularity of our retail liability franchise with stable asset quality reflecting prudent underwriting, strong collections, and our continued focus on secured lending. We are poised to support incremental credit growth and our focus remains on strengthening core franchises, improving balance sheet efficiency, and expanding our presence in contiguous geographies in a calibrated manner.

We are well positioned to sustain consistent growth while maintaining asset quality and profitability. This also positions us well to support future expansion following the planned capital infusion. Our strategy continues to prioritise small, retail-led deposits with limited reliance on bulk funding. As a result, concentration risk remains low, with the top 20 depositors contributing only 9.14% of total deposits. We also maintained a strong term deposit rollover ratio of around 91.4% or higher, along with a healthy CASA mix, with savings accounts offering an interest rate of 3.10%.

Total Deposits (₹ in crores)

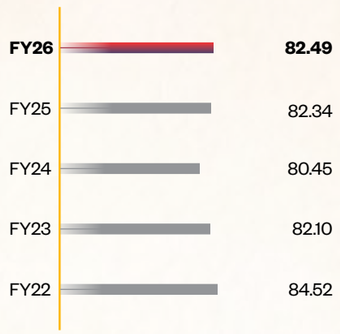


CASA Deposits (₹ in crores)

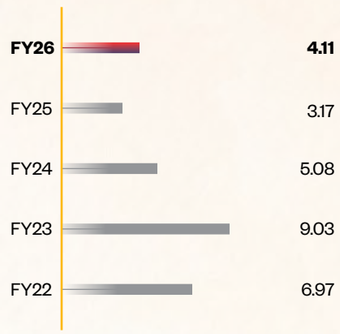


Funding Mix – Positively Skewed towards Deposits (in %)

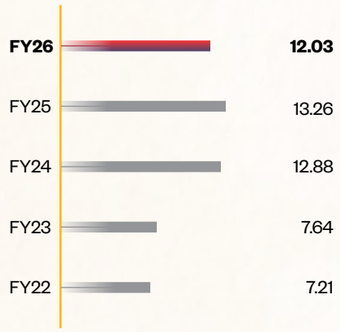
Deposits



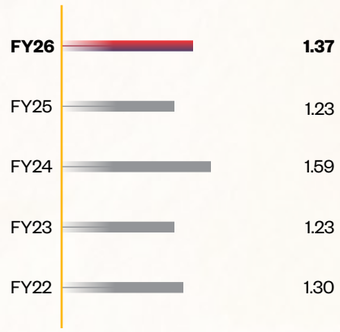
Borrowings



Shareholders' Funds

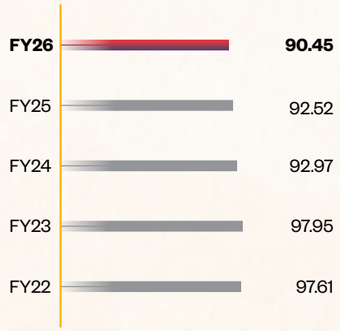


Other Liabilities

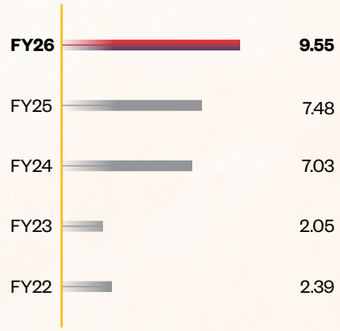


Retail-Centric Deposit Mix (in %)

Retail

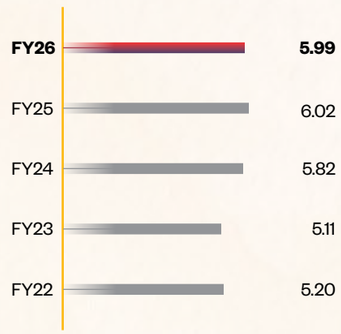


Bulk

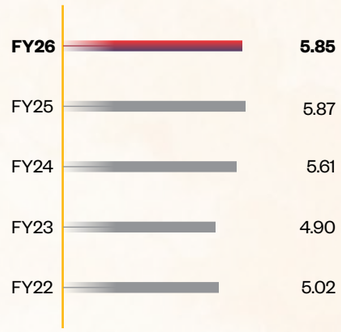


All Leading to Low Financing Cost (in %)

Cost of Funds



Cost of Deposits



Strong Brand Equity

We continue to strengthen our market presence by forging stronger connections with the communities and customers we serve. Through focussed outreach and consistent engagement, we aim to position the Bank as a trusted financial partner that customers can rely on for a wide range of banking and financial solutions.

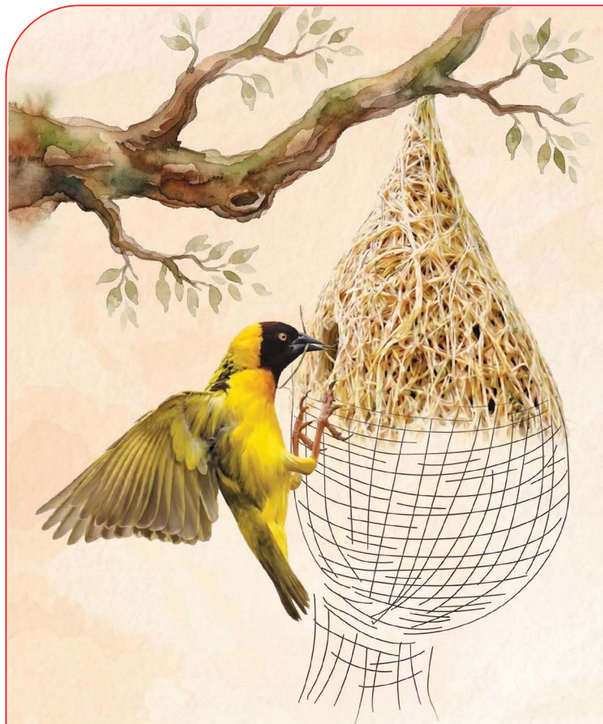
Strong customer relationships are also creating greater cross-selling opportunities and improving overall customer lifecycle value. As we grow, we remain focussed on enhancing the banking experience through relevant solutions, active engagement, and a continued commitment to meeting the diverse financial needs of our customers.

Our Strategy: Elevating Our Liability Franchise

We believe in and thrive on serving financial needs of the middle-income segment with special emphasis on rural and semi-urban areas through deep customer engagement, a relationship banking approach, and a branch-led acquisition strategy.

We are growing our liability franchise, prioritising customer needs and service innovation. Our focus is on building stronger relationships while making our deposit products more relevant and convenient.

To expand our CASA base, we emphasise personalised service and responsive customer engagement. This relationship-driven approach strengthens loyalty, improves retention, and helps attract new customers. As we continue to refine our strategies, we remain committed to building a stable and growing deposit base founded on trust and long-term relationships.



GROWTH PRIORITIES

Accelerate Retail Deposit Growth

Expand our retail deposit base by engaging both existing and new customers, while strengthening the cross-selling of deposit products.

Enhance CASA Customer Experience

Deliver superior and consistent service across all touchpoints to elevate the value proposition for CASA customers.

Strengthen Market Presence

Fortify our position in existing markets while selectively entering new geographies to expand our reach and serve target segments more effectively.

Advance the 'Phygital' Distribution Model

Leverage an integrated physical and digital banking approach to efficiently serve rural and semi-urban markets with scalable service delivery.

Elevate Brand Positioning

Build stronger brand visibility and credibility to establish a more distinctive and competitive presence in the banking landscape.

Strengthen Relationship Banking

Foster long-term customer relationships through personalised engagement, tailored product offerings, and trust-driven banking.

Expand Institutional Banking Capabilities

Scale our institutional banking franchise by serving government bodies, co-operative banks, NBFCs, and public sector organisations.

Build a Strong, Stable Liability Franchise

Maintain a diversified, low-cost deposit base while exploring bulk deposits and refinancing avenues to ensure sustainable and competitive funding.

STRENGTH IN NUMBERS, DISCIPLINED IN GROWTH

We pursue a growth strategy that balances scale, profitability, and long-term resilience. Through disciplined execution, strong financial oversight, and close monitoring of key performance indicators, we continue to strengthen the quality and sustainability of our financial performance. At the same time, our gradual expansion across businesses and markets is helping broaden our growth drivers and deepen our market presence. This measured approach enables us to deliver consistent financial momentum, enhance stability, and build a well-diversified business portfolio.

Our Strength: Robust and Consistent Growth Trajectory

We delivered a sound balance between growth, efficiency and prudent risk management over the past several years. Since FY19, our Return on Average Assets improved significantly, reaching 1.23% in FY26, demonstrating effective capital deployment while maintaining strong asset quality. Higher credit-to-deposit ratios supported the expansion of net interest margins, while a gradual diversification of income streams and rising non-fund-based revenues further strengthened our financial resilience.

We benefit from a strong retail deposit franchise and one of the lowest cost of funds within the SFB segment, providing a stable and cost-efficient liability base. This allows us the flexibility to fund credit growth without excessive reliance on expensive borrowings. Between FY21 and FY26, we recorded growth with PAT CAGR of 28%, advances CAGR of 18%, and deposits CAGR of 14%, highlighting the efficacy of our focus on underserved markets. As more branches mature and operational efficiencies improve, we continue to strengthen profitability while maintaining resilient asset quality through disciplined underwriting and sound risk practices.

Loan Book (₹ in crores)

FY26	**8,686.77**
FY25	7,183.89
FY24	6,159.80
FY23	5,507.27
FY22	4,688.70

Year-on-Year Growth	CAGR
21%	18%

Net Worth (Capital + Reserves) (₹ in crores)

FY26	**1,461.03**
FY25	1,340.14
FY24	1,197.42
FY23	610.61
FY22	515.78

Year-on-Year Growth	CAGR
9%	27%

Total Deposits (₹ in crores)

FY26	**10,017.65**
FY25	8,322.60
FY24	7,477.74
FY23	6,560.62
FY22	6,046.36

Year-on-Year Growth	CAGR
20%	14%

Loan Disbursement (₹ in crores)

FY26	**3,508.31**
FY25	2,846.20
FY24	2,068.11
FY23	1,990.67
FY22	1,842.63

Year-on-Year Growth	CAGR
23%	21%

Balance Sheet Size (₹ in crores)

FY26	**12,143.94**
FY25	10,107.51
FY24	9,295.28
FY23	7,990.77
FY22	7,153.92

Year-on-Year Growth	CAGR
20%	14%

CAGR represents FY21-FY26

Year-on-Year Growth pertains to the growth in FY26 over FY25

Profit After Tax (₹ in crores)

FY26	**141.39**
FY25	131.65
FY24	111.53
FY23	93.60
FY22	62.57

Net Total Income (₹ in crores)

FY26	**559.68**
FY25	496.21
FY24	413.23
FY23	371.46
FY22	309.47

Net NPA (%)

FY26	**1.24**
FY25	1.30
FY24	1.40
FY23	1.36
FY22	1.36

Return on Equity (%)

FY26	**10.10**
FY25	10.38
FY24	14.64
FY23	16.62
FY22	12.94

Return on Average Advances (%)

FY26	**1.87**
FY25	2.05
FY24	1.98
FY23	1.89
FY22	1.56

Earnings Per Share (₹)

FY26	**31.20**
FY25	29.18
FY24	30.65
FY23	27.35
FY22	18.41

Return on Assets (%)

FY26	**1.23**
FY25	1.35
FY24	1.27
FY23	1.22
FY22	0.93

Yield on Advances (%)

FY26	**10.95**
FY25	11.20
FY24	11.10
FY23	10.76
FY22	10.89

Cost of Funds (%)

FY26	**5.99**
FY25	6.02
FY24	5.82
FY23	5.11
FY22	5.20

Average CD Ratio (%)

FY26	**81.28**
FY25	81.44
FY24	78.96
FY23	77.96
FY22	70.63

Cost of Deposits (%)

FY26	**5.85**
FY25	5.87
FY24	5.61
FY23	4.90
FY22	5.02

Capital Adequacy Ratio (%)

FY26	**22.31**
FY25	25.39
FY24	27.39
FY23	18.87
FY22	18.63

Net Interest Margin (%)

FY26	**4.04**
FY25	4.20
FY24	3.94
FY23	4.19
FY22	3.78

Our Strategy: Strengthening Operational and Profitability Metrics

We remain focussed on improving our credit-to-deposit ratio and expanding net interest margins through disciplined capital deployment and targeted profitability initiatives. Our strategy emphasises resource optimisation while strengthening the productivity of our core banking operations.

An important part of this effort is to increase the share of fully matured branches within our network. By accelerating customer acquisition, fortifying our presence in local markets, and refining branch level product strategies, we strive to augment productivity and operational efficiency across our physical footprint.

At the same time, we continue to strengthen collaboration with our business partners, including bancassurance partners, to expand cross-selling opportunities. This allows us to offer broader financial solutions to customers and pursue additional fee-based income streams.

GROWTH PRIORITIES

Loan Portfolio Growth

We plan to strategically expand our loan portfolio by tapping into underserved markets, utilising data-driven insights and localised strategies to effectively address diverse customer needs.

Balanced Business Segments

We strive to maintain a well-balanced portfolio across business segments, optimising risk-adjusted returns to support sustainable growth.

Income Diversification

We are dedicated to diversifying income streams and increase profitability by maximising revenue opportunities from our range of products and services.

Cross-Selling Initiatives

We emphasise cross-selling third-party financial products and strengthen fee-based income sources to deliver bespoke solutions.

Bancassurance

We seek to expand the distribution of various insurance products to our current client base, with a strong focus on bancassurance to broaden our service offering.

Credit-to-Deposit Optimisation

We aim to improve our credit-to-deposit ratio to ensure efficient resource utilisation and strengthen profitability.

GUIDED BY EXPERIENCE, STEERED BY PRUDENCE

We draw on the combined experience of our Board and Senior Management in navigating the financial services sector. Their knowledge of market dynamics, economic cycles, and interest rate variations equips us to respond decisively to changing conditions. This expertise strengthens organisational stability, supports strategic planning, and guides the Bank towards resilient, forward-looking growth, while effectively addressing the inherent risks of the industry.

The diversity of our leadership team strengthens our ability to execute a wide range of strategic priorities. Their efforts are supported by a dedicated team of trained professionals across our headquarters and branch network. With strong regional knowledge and close community connections, these teams enable us to deliver responsive banking services and effectively serve the markets in which we operate.

Board of Directors

Mr. Navin Kumar Maini

Part-Time Chairman and
Non-Executive Independent Director

Mr. Maini holds a Bachelor's Degree in Law and Science (Honours) from the University of Delhi and a postgraduate diploma in International Trade from the Indian Institute of Foreign Trade. He also possesses a certificate of participation in the NIBM–Stanford Advanced Management Programme presented by the Stanford University Graduate School of Business and a Postgraduate Diploma in Management from the Management Development Institute. Mr. Maini has completed an executive course on Finance for Non-Finance Executives conducted by Harvard Law School and the International Institute for Advanced Studies. He is also a certified associate of the Indian Institute of Bankers.

Having over four decades of experience in the banking industry, Mr. Maini previously served as the Deputy Managing Director of SIDBI and was associated with the Industrial Development Bank of India and United Commercial Bank. He also held the position of director in various entities, including SIDBI Trustee Company Limited, SIDBI Venture Capital Limited, National Credit Guarantee Trustee Company Limited, India SME Asset Reconstruction Company Limited, NSE Clearing Limited, Bhartiya Samruddhi Finance Limited, and Acuite Ratings and Research Limited.

In addition, he served as a director of Utkarsh Small Finance Bank Private Limited and was a Member of Advisory Council of Ananya Finance for Inclusive Growth Private Limited. He currently is a Member of Advisory Council of Arthimpact Digital Loans Private Limited and IVY Cap Ventures Trust Fund.

Mr. Sarvjit Singh Samra

Managing Director and CEO

Mr. Samra holds a Bachelor's Degree in Arts and a Master's Degree in Business Administration from Guru Nanak Dev University. With over 38 years of extensive experience in the banking and financial services industry, he held key leadership and decision-making positions in various organisations and steered the strategic direction as the Managing Director of several asset financing companies. Associated with the Bank since its inception, Mr. Samra played an instrumental role in its conversion from a Local Area Bank to a SFB. In addition to his current position, he boasts a distinguished history within the Bank, having previously served as Chairman for a period of over three years.

Mr. Munish Jain

Executive Director

Mr. Jain possesses a Bachelor's Degree in Commerce from Guru Nanak Dev University. He is a fellow member of both the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has over 25 years of experience in the banking sector, including finance, compliance, treasury, strategic decision-making, and execution. He completed leadership, advanced corporate finance and risk modelling, and management programmes from the Indian Institute of Management, Ahmedabad. In addition, he completed a programme on International Financial Reporting Standards conducted by the Reserve Bank of India and the 'Strategem – Strategic Meets Leadership Programme' at INSEAD, Fontainebleau, France.

Associated with the Bank since 2000, he previously served as the Company Secretary and Chief Financial Officer. He was appointed as the Chief Operating Officer in 2014 and as Executive Director in August 2023.

Mr. Balbir Singh

Non-Executive Non-Independent Director
(Nominee Director – Small Industries Development Bank of India)

Mr. Singh holds a Master's Degree in Business Administration from Himachal Pradesh University. Currently, he is designated as the General Manager and Regional In-charge of the Chandigarh Regional Office of Small Industries Development Bank of India. He has over 27 years of experience with almost 21 years in the promotion and development of MSMEs. He held several senior positions and served as a Nominee Director on the Boards of various companies.

Mr. Nageswara Rao Yalamanchili

Non-Executive Independent Director

Mr. Rao Yalamanchili possesses a Bachelor's Degree in Commerce from Nagarjuna University. He is also a Certified Associate of the Indian Institute of Bankers. Prior to joining our Board of Directors, he held the positions of General Manager and Executive Director at Vijaya Bank. He was also Officer on Special Duty and Whole-time Director at Syndicate Bank and served as an Executive Director at Bank of Maharashtra.

Mr. Gurpreet Singh Chug

Non-Executive Independent Director

Mr. Chug has a Bachelor's Degree in Arts and Law from Guru Nanak Dev University. He also holds a Licentiate from the Insurance Institute of India. Mr. Chug brings over 40 years of experience across manufacturing, financial services, and allied sectors. He spent 20 years in the small-scale industry, specialising in industrial fasteners, before transitioning to the BFSI sector. As the Managing Director of Pioneer Assurance Consultants Private Limited for more than two decades, he led strategic growth and steered client-focussed financial solutions, combining industrial expertise with financial acumen.

Ms. Rachna Dikshit

Non-Executive Independent Director

Ms. Dikshit holds a Bachelor's Degree in Arts from Lucknow University and a Master's Degree in Arts from the University of Allahabad. She is also a Certified Associate of the Indian Institute of Bankers. She previously served as the Chief General Manager at the Reserve Bank of India.

Mr. Kamaldeep Singh Sangha

Non-Executive Independent Director

Mr. Sangha obtained both Bachelor of Arts and Master of Arts degrees from Punjabi University, Patiala. He also served as the Managing Director of Punjab State Cooperative Bank, Deputy Commissioner of Amritsar and Fatehgarh Sahib, Secretary to the Punjab State Agricultural Marketing Board, and Additional Secretary to the Punjab State Rural Development Board. Following his retirement from the Indian Administrative Service, he also served as the Managing Director of MILKFED, the Punjab State Cooperative Milk Producers' Federation Limited.

Mr. Sukhen Pal Babuta

Non-Executive Independent Director

Mr. Babuta has a Bachelor's degree in Science from the Panjab University. He has been a Certified Associate of the Institute of Chartered Accountants of India since 1987 and an insolvency professional registered with the Insolvency and Bankruptcy Board of India. He has previously served as a Director on Board of Punjab & Sind Bank.

Mr. Bhavdeep Sardana

Non-Executive Non-Independent Director

Mr. Bhavdeep Sardana is Non-Executive Non-Independent Director of Capital SFB. He is the Senior Vice President & Chief Executive Officer of The Sukhjit Starch & Chemicals Limited, a company listed on the NSE Limited and BSE Ltd., engaged in the manufacture of starches and derivatives with manufacturing facilities in Punjab, Himachal Pradesh, West Bengal and Telangana, and an annual turnover of around ₹1,500 crores. He also serves as the Chief Executive Officer of The Sukhjit Agro Industries, a unit of The Sukhjit Starch & Chemicals Limited in Himachal Pradesh, and is a Director of Sukhjit Mega Food Park & Infra Limited, a mega food park project sanctioned by the Government of India to provide food processing facilities and related infrastructure.

He has over 30 years of experience in commercial, administrative, operational, and management roles in agro-based food industries, overseeing business management, commercial operations, and sales to major corporates and multinational companies. He is actively involved in liaison with various State and Central Government departments.

Mr. Sardana is a member of the Punjab State Planning Board, the Punjab State Council for Agricultural Education, and the Food Processing Advisory Committee of the Government of Punjab. He was invited as a 'Champion of Change' by NITI Aayog to contribute to the Government of India's agricultural transformation initiative. He has also served as Chairman of the Confederation of Indian Industry (CII), Punjab State.

60%
Independent Directors on the Board

36 Years
Average Experience of Board Members

61 Years
Average Age of Board Members

Board Capabilities

- Banking
- Taxation and Audit
- Agriculture
- Finance
- Law
- SSI
- Cooperation
- Rural Economy
- Management
- Marketing
- Information Technology
- Public Administration
- Accountancy
- Risk Management

Leadership Team

Mr. Sarvjit Singh Samra
MD and CEO

Mr. Munish Jain
Executive Director

Mr. Aseem Mahajan
Chief Financial Officer

Mr. Sameer Mahawar
Chief Risk Officer

Mrs. Richa Mahajan
Chief Compliance Officer

Mr. Raghav Aggarwal
Chief Credit Officer (Branch Banking)

Mr. Anuraj K. Bhardwaj
Chief Credit Officer (Alternate Banking)

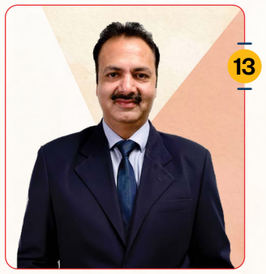
Mr. Sahil Vijay
Chief Treasury Officer

Mr. Harvinder Singh
Chief Information Officer

Mr. Parun Gupta
Chief Marketing Officer

Mr. Kamal Tandon
Regional Business Head

Mr. Varinder Shoor
Regional Business Head



Mr. Manoj Sodhi
Regional Business Head

Mr. Arvind Dutt
Regional Business Head

Commitment to Customer Satisfaction

RELATIONSHIPS THAT LAST, TOUCHPOINTS THAT EMPOWER

We cultivate every customer relationship with a clear understanding of evolving financial needs. Our banking model integrates tailored solutions, an extensive service portfolio, and a strong distribution network across rural and semi-urban India. By providing multiple touchpoints and timely support, we aim to deliver everyday banking that is accessible, reliable, and straightforward, enabling customers to engage with financial services seamlessly.

With a dedicated focus on the aspirations of the middle-income segment, we offer carefully tailored financial products supported by modern digital capabilities. This blend of personalised service and technology-enabled convenience helps create banking that is inclusive, practical and accessible. In the process, it empowers communities across India and builds enduring partnerships founded on reliability and trust.

FY26 Highlights

35%
CASA Ratio

90%
Retail Deposit Composition

90%
Digital Transaction Penetration

Our Strength: Customer-Centric Approach and Deep Understanding of Target Customers

Meaningful Customer Connections

We strive to go beyond traditional service by building genuine, long-term relationships with our customers. Our objective is to understand individual goals and financial priorities through every interaction. By focussing on high-touch engagement, particularly for MSMEs and business clients, we ensure that each journey is supported with expert guidance, personalised solutions, and responsive service teams.

Strengthening Communities through Local Talent

We prioritise local hiring, create employment opportunities within communities, and build teams that understand regional cultures and customer behaviour. This approach strengthens trust, improves service efficiency, and enables us to respond more effectively to the unique economic and social dynamics of each market.

Expansion Guided by Customer Access

We design our growth strategy with a sustained focus on improving access to banking. Our branch network continues to grow across semi-urban and rural locations, driven by an expanding physical presence across multiple states and union territories. Each branch is established with careful consideration of regional demand and relationship potential, ensuring that banking services remain within reach for underserved communities.

From 47 in FY16 to
211 in FY26
Branch Expansion

7.84 lakhs+
Customer Base

Insight-Driven Customer Understanding

We draw strength from our in-depth understanding of customers to design relevant financial solutions. We focus on middle-income households, small businesses, farmers, and traders by studying their income patterns, savings behaviour, and financial needs. These insights help us create products and services that align with different life stages and evolving aspirations.

Comprehensive Financial Support

We offer a comprehensive product ecosystem to support diverse financial needs. From secured lending solutions such as home and property loans to MSME financing, competitive savings products and third-party investment offerings, our portfolio caters to a wide range of customer requirements. This integrated approach ensures customers can manage borrowing, saving, and investing through a single trusted banking partner.

Customer First, Always

We are guided by a firm focus on customer centricity. Building on this service philosophy, we deliver relevant financial solutions, build strong relationships, and ensure secure and seamless digital experiences. By supporting customers across every stage of their financial journey, we aim to strengthen satisfaction and boost trust.

Our Strategy: Building Brand Loyalty

We build brand loyalty by prioritising customers. By understanding each customer's financial journey, we provide personalised guidance that helps them achieve their goals. Using data insights and continuous feedback, we anticipate evolving needs and deliver timely, relevant solutions.

Customer engagement is further strengthened through feedback channels, loyalty programmes, and dedicated relationship managers who provide consistent, human-centred support. Our intuitive digital platforms make banking simple, accessible, and suited to modern lifestyles.

GROWTH PRIORITIES

Deeper Relationship Banking

We offer customers comprehensive guidance, regular financial wellness check-ins, and tools that help them track progress towards their goals. By recognising important milestones and offering personalised investment and financial planning support, we strengthen trust and nurture their financial well-being.

Focussed Support for MSMEs and Rural Communities

We foster specialised service clusters dedicated to MSMEs and rural banking. Our teams work closely with agri-entrepreneurs, traders, and micro-business owners to provide tailored advisory services, accessible credit solutions, and working capital support.

Community-Driven Loyalty

We leverage our extensive community connections to formulate loyalty strategy. Through partnerships with local organisations, in-branch events, and customer ambassador programmes, we create platforms where customers can share experiences, provide feedback, and shape our services.

Localised Product Innovation

We recognise the distinct financial needs of every region and design products that reflect local realities. From bundled financial solutions for farmers and artisans to services tailored for self-employed professionals, our offerings address practical challenges to unlock new opportunities. This localised approach strengthens market reach and ensure customers receive solutions that truly align with their needs and livelihoods.

Customer Advocacy Circles

We actively involve customers in shaping the future of our services. Through dedicated feedback forums and long-term engagement groups, customers collaborate with us to co-create improvements, refine products, and introduce new solutions. By listening closely and acting on their insights, we strengthen transparency, inclusivity, and brand trust.

ROBUST IN PROCESS, RELIABILITY IN OUTCOMES

We implement a robust risk management framework that supports our lending philosophy. Leveraging customer-focussed insights and continuous process improvements, we ensure growth is in step with disciplined risk oversight. Our structured credit evaluation and governance practices have consistently maintained strong asset quality. This enables us to offer dependable financial solutions while protecting our asset base and strengthening customer trust.

Our risk management philosophy is based on three core pillars:

Strong Customer Engagement

We maintain close relationships with borrowers to understand their financial behaviour, cash flows, and evolving needs. Regular interactions and on-ground engagement help us identify early warning signals, support customers proactively, and reduce the likelihood of repayment stress.

Rigorous Credit Evaluation

We back every lending decision with proper due diligence, including detailed credit assessments, cash flow analysis, and verification processes. Structured underwriting standards, risk-scoring models, and multi-level approval mechanisms ensure that credit is extended responsibly.

Prudent Lending Practices

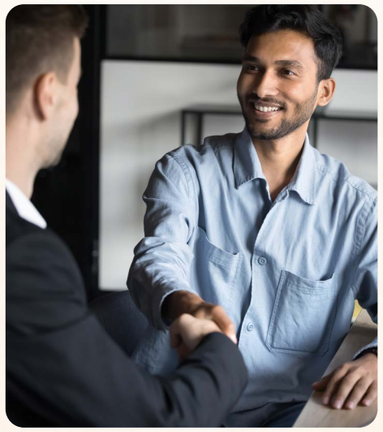
We follow a disciplined lending approach centred on diversified portfolios, conservative exposure limits, and continuous portfolio monitoring. We deploy early warning systems and undertake periodic reviews to initiate timely corrective actions, safeguard asset quality, and support sustainable growth.

Strong Customer Engagement

Our dedicated relationship management teams engage closely with borrowers to understand their financial ambitions and operational dynamics, allowing us to tailor financial solutions and proactively identify potential risks.

We strengthen these relationships through our Primary Banker approach, which provides greater visibility into customer cash flows and enabling more effective financial oversight and risk management.

We also deploy dedicated relationship management teams to ensure consistent engagement and seamless partnerships with our customers.



Precise Credit Evaluation

Our credit assessment framework combines analytical precision with informed judgement to evaluate borrower strength, repayment capacity, and appropriate loan structuring. This systematic process ensures alignment between lending decisions and risk appetite, while to promoting responsible financial management.

Prudent Lending Practices

Protecting the strength of our lending portfolio remains a key priority. To achieve this, we follow a cautious Loan-to-Value strategy that ensures strong collateral coverage and prudent exposure levels. This approach enhances portfolio resilience and maintains overall security of our loan book.

As a result, over 98% of our lending portfolio is now secured, with loans backed by tangible collateral. This strong asset-backed structure provides an additional layer of protection against credit risk and reaffirms the stability and reliability of our loan book.

98%+

of our lending portfolio is secured, reaffirming the stability and reliability of our asset base.

Committee-led Credit Governance

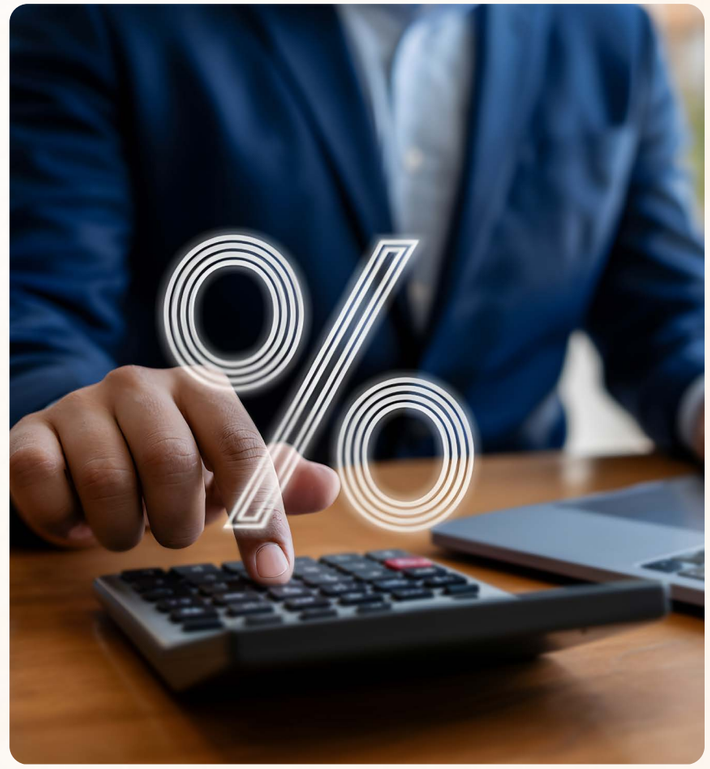
Our robust governance mechanism plays a critical role in credit approval process. As part of our broader risk governance framework, larger exposures and lending proposals exceeding ₹12.5 mn, are reviewed by a dedicated credit sanctioning committee. Each proposal undergoes multiple levels of independent evaluation to ensure stringent scrutiny and informed decision-making. This committee-led review process strengthens oversight, reinforces accountability, and supports alignment with our established credit risk management policies.

2.54%
GNPA

1.24%
NNPA

0.26%
Credit Cost

~Minimal write-offs
One of the Most Secured Asset Portfolios in the Lending Industry



Secured and Diversified Advances Portfolio

DIFFERENTIATED IN SOLUTIONS, ROOTED IN TRUST

We are committed to expanding access to responsible credit, a key driver of financial inclusion for millions of households and small businesses in semi-urban and rural India. Despite growing entrepreneurial aspirations, many customers look for financial partners who combine local realities with easy-to-access, dependable solutions. Hence, at this crucial juncture, we reaffirm our commitment to empower these communities and promote long-term economic progress.

Given this perspective, Capital SFB has developed a differentiated lending model focussed on the financial needs of middle-income households and small enterprises. We combine disciplined underwriting with strong asset-backed lending practices and sound regional insights to support sustainable customer growth.

Our Strength: Secured and Diversified Advances Portfolio

Our roots lie in community banking, where we began as a Local Area Bank, serving households and businesses within a defined region. Close engagement with these communities helped us build strong relationships and develop a thorough understanding of diverse credit needs. This early experience shaped a lending approach driven by insight, trust, and responsible financial support.

Our foundation as a Local Area Bank proved valuable when we were granted a Small Finance Bank licence by the Reserve Bank of India, making us one of the few institutions outside the microfinance ecosystem to receive such approval. As we expanded, we adopted a diversified lending strategy focussed on secured, purpose-driven financing rather than relying on a single credit model.

Today, our advances portfolio spans key segments, including mortgages, MSME financing, agriculture, and corporate lending. These sectors remain closely aligned with the growth of India's middle-income population and the expansion of rural enterprise.

₹18.3 lakhs
Granular Loan Book Portfolio ATS

Aim to be a **Full Suite Banker** for the Customer

Strategic Mix of Lending Segments

Agriculture Lending

Supports rural livelihoods and sustainable farming, demonstrating our continued commitment to agricultural communities.

Housing Finance

Includes property-backed loans, designed to address growing housing demand across urban and semi-urban regions.

MSME and Trading Loans

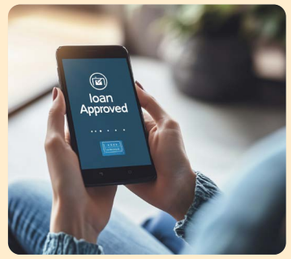
Provides essential capital to entrepreneurs and local enterprises, supporting regional economic growth and employment generation.

Personal and Vehicle Loans

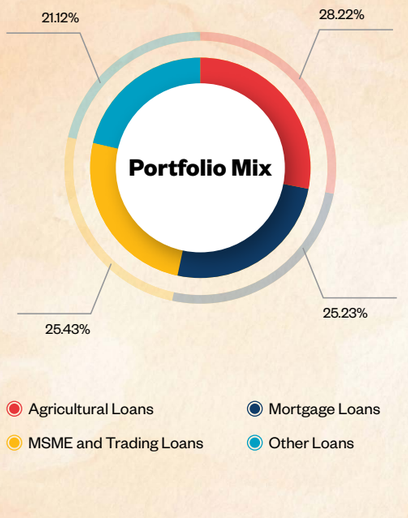
Offers financial flexibility to individuals and families, while broadening our customer reach.

Consumption and Other Loans

Provides flexible financing solutions like auto, gold, and FDR-backed loans to meet diverse customer needs.



This diversified portfolio enables us to support customers across key sectors while maintaining a disciplined and balanced lending strategy.



Loan Segment

FY26 Dashboard

Agricultural Loans

- ₹2,451.76 crores — Gross Advances
- ₹1.31 mn — Average Ticket
- 2.76% — NNPA
- 12.54% — Interest Yield

Mortgage Loans

- ₹2,192.05 crores — Gross Advances
- ₹1.42 mn — Average Ticket
- 0.63% — NNPA
- 11.26% — Interest Yield

MSME and Trading Loans

- ₹2,208.86 crores — Gross Advances
- ₹2.70 mn — Average Ticket
- 0.82% — NNPA
- 10.55% — Interest Yield

Corporate Loans

- ₹1,201.28 crores — Gross Advances
- ₹275.23 mn — Average Ticket
- 0.46% — NNPA
- 10.77% — Interest Yield

Consumption and Other Loans

- ₹632.83 crores — Gross Advances
- ₹0.87 mn — Average Ticket
- 0.48% — NNPA
- 9.69% — Interest Yield

Our Strategy: Organic Loan Book Growth and Secured Lending

Our lending strategy is centred on building a resilient and future-oriented credit portfolio that addresses the evolving needs of our customers. By prioritising quality and security, we aim to provide dependable financial solutions while maintaining a strong focus on disciplined risk management. This balanced approach allows us to pursue growth, preserve stability, and cement our position as a trusted financial partner.

As part of this strategy, we continue to fortify our presence in Punjab. In addition, we are steadily expanding into promising neighbouring markets, including Haryana, Rajasthan, Himachal Pradesh, the NCR, Chandigarh, and Jammu & Kashmir. At the same time, emerging opportunities in Eastern, Northeastern, and Central India present attractive avenues for both credit and deposit expansion. With a clear focus on these underserved regions, we aim to broaden access to formal banking and support sustainable and inclusive growth.

GROWTH PRIORITIES

Intensifying Sector Focus
We will strengthen our engagement across agriculture, MSME, and housing finance by expanding lifecycle lending and cross-selling opportunities in both existing and emerging markets.

Targeted Market Expansion
We design our expansion strategy through credit gap analysis to facilitate entry into carefully selected regions, offering secured lending products tailored to the specific needs of local economies.

Optimised Credit Management
We use leading-edge data analytics to strengthen risk evaluation and enhance post-disbursement monitoring, ensuring consistent asset quality across the portfolio.

Productivity Enhancement
We prioritise the improvement of operational productivity as we grow the loan portfolio through higher per-employee and per-branch productivity, supported by targeted training initiatives and digitalised origination processes.

Sustainable Lending
We will increasingly align our lending priorities with sectors that reflect responsible and sustainable practices, supporting portfolio resilience and reducing long-term credit risk.

Business Segments

RESPONSIBLE INNOVATION, CONSISTENT IMPACT

We combine our understanding of customer needs with market realities to shape our business segments. Each segment is unique and addresses specific opportunities while facilitating broader economic participation and financial access. By balancing innovation with responsibility, we achieve growth that fulfils our business objectives and creates sustained impact. As our presence and capabilities expand, these segments continue to drive strategic momentum, enabling us to serve evolving markets.

Our Business Mix

Assets

Loan Portfolio

Agricultural

Kisan Credit Card

Provides timely access to credit for crop cultivation, input purchases, and post-harvest expenses, addressing short-term financial needs of farmers. Helps farmers manage working capital efficiently throughout the agricultural cycle.

Agricultural Term Loan

Offers financing for tractors, farm equipment, irrigation systems, and other productive assets, needed as part of long-term agricultural investments. Enables farmers to modernise operations, improve efficiency, and enhance farm output over time.

₹2,451.76 crores
Loan Book

5.02%
Year-on-Year Growth

MSME and Trading

Small and Medium Enterprises

Supports the growth of local enterprises. Allows traders, manufacturers, and service businesses to expand operations, invest in machinery and equipment, and manage working capital requirements.

Commission Agent Financing

Strengthens agricultural supply chains by extending financing to commission agents who facilitate transactions between farmers and markets. Provides advances against receivables from farmers and may also be secured by stock or debtors. Also helps agents engaged in supplying agricultural inputs such as fertilisers, pesticides, and seeds.

₹2,208.86 crores
Loan Book

46.13%
Year-on-Year Growth

Mortgage Lending

Housing Loan

Extends financial assistance for the construction, purchase, and expansion of residential properties. Supports the renovation, repair, and upgradation of existing homes.

Loan against Property

Provides customers with access to funds by leveraging property as collateral. Supports business establishment and expansion, operational requirements, and a range of personal financial needs.

₹2,192.05 crores
Loan Book

13.97%
Year-on-Year Growth

Large Corporate Loans

Aids established businesses by providing credit facilities that drive expansion, boost operational efficiency, and promote long-term growth. Extends financing to large corporates, including NBFCs and MFIs, helping them strengthen financial capacity and scale activities.

₹1,201.28 crores
Loan Book

33.73%
Year-on-Year Growth

Others

Auto Loans

Makes financing available for the purchase of two- and four-wheeler vehicles, including scooters, motorcycles, and cars, enabling customers to access reliable transportation.

Personal Loans

Offers customers flexible financing solutions for business needs, expansion of existing ventures, and various household requirements.

Gold Loans

Allow customers to access quick funding by leveraging gold assets. Support expenses related to consumption, domestic needs, or medical requirements, offering financial flexibility and confidence.

₹632.83 crores
Loan Book

22.61%
Year-on-Year Growth

Liabilities

Deposit Portfolio

Savings Account

Normal Savings A/C

Helps customers access their funds conveniently at any time through Internet and Mobile Banking while maintaining a low minimum balance requirement of ₹500. The account includes services such as ATM cum debit card, mobile banking, internet banking, and an at par cheque book facility, ensuring easy access to everyday banking needs.

Capital Savings A/C

Offers greater convenience and provides a range of banking facilities, including an ATM cum debit card, mobile banking, internet banking, and an at par cheque book. These features help customers manage their finances efficiently with easy and secure access to services.

Capital Saver Savings A/C

Brings enhanced benefits, including SMS banking and free personal accident insurance, alongside the standard features available with Normal and Capital Savings Accounts. Customers can access these benefits by maintaining a slightly higher quarterly average balance.

Capital Super Saver Savings A/C

Builds on the benefits of the Capital Savings Account by offering additional privileges and improved value. Customers can maintain a quarterly average balance of ₹10,000 while enjoying greater flexibility and personalised banking advantages.

Basic Savings Bank A/C (Suvidha Bachat)

Supports financial inclusion by enabling individuals from diverse communities to access essential banking services. It helps customers build financial resilience and manage their personal and professional financial goals.

Capital E Savings A/C

Allows customers to conveniently open and manage their savings account online, leveraging a fully digital account opening process. The account earns interest on balances and integrates seamlessly with the Capital Mobile App, enabling simple and accessible financial management.

₹3,181.71 crores
Savings Deposit Book

14.34%
Year-on-Year Growth

Current Account

Normal Current A/C

Benefits businesses that require essential banking services with flexibility. It provides core banking facilities without minimum balance requirements or transaction limits, making it suitable for customers managing small enterprises.

Capital Premium Current A/C

Allows larger businesses looking for enhanced banking benefits to access the same by maintaining a higher quarterly average balance. The account offers additional features and financial flexibility that support expanding business operations.

Capital Current A/C

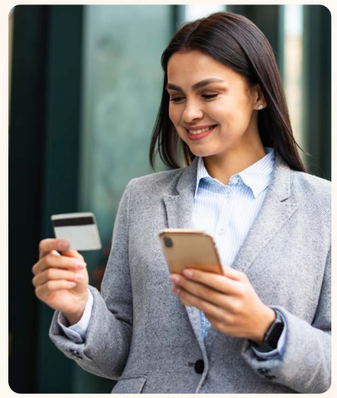
Meets the requirements of small businesses and provides fundamental banking services with no restrictions on transactions. It enables smooth and efficient financial management for daily business activities.

Capital Flexi A/C

Enables customers and entities eligible for a current account to access benefits from this option by maintaining a quarterly average balance of ₹50,000. The auto sweep in and sweep out facility allows surplus funds to be automatically transferred to fixed deposits, helping customers earn interest while maintaining liquidity.

Capital Plus Current A/C

Requires a quarterly average balance of ₹50,000 across rural, semi-urban, urban, and metro locations. Created to address the needs of MSMEs, it supports seamless business transactions and helps enterprises manage finances more effectively.



₹298.09 crores
Current Deposit Book

2.16%
Year-on-Year Growth

Term Deposits

Short-Term Deposit

Suits customers looking for flexible short duration savings options and offers interest earnings over a tenure ranging from 15 days to 364 days. The deposit can be opened by individuals, groups, firms, corporates, or clubs, making it suitable for varied financial needs.

Quarterly Interest Deposit

Targets regular income seekers and provides interest payouts on a quarterly basis while keeping the principal amount intact. The scheme allows a minimum tenure of 12 months and extends up to 120 months, ensuring steady returns over time.

Tax Saver Deposit

Serves individuals looking to combine savings with tax efficiency. With a minimum deposit starting from ₹100 and additional deposits in multiples of 100, the scheme is available to resident individuals and Hindu Undivided Families, offering an accessible savings option.

Cumulative Deposit

Benefits those seeking long-term savings growth where interest is compounded quarterly. The scheme is available to individuals as well as groups, firms, corporate entities, and clubs, offering a flexible savings solution for diverse customer profiles.

Monthly Interest Deposit

Brings the convenience of monthly interest payouts, helping customers maintain a consistent income stream. It can be opened by individuals, groups, firms, corporate entities, and clubs, making it a versatile choice for different financial requirements.

Recurring Deposit

Aligns with customers who prefer disciplined monthly savings. It allows deposits for a tenure ranging from 12 months to 120 months, with regular contributions helping build long-term savings and earn interest over the investment period.

₹6,537.85 crores
Term Deposit Book

24.57%
Year-on-Year Growth

NRE/NRO Accounts

- Cater to Non-Resident Indians in accordance with the guidelines issued by the Reserve Bank of India and the provisions of FEMA. These accounts allow NRIs to manage their finances in India while complying with the applicable regulatory framework
- Offers account holders the flexibility to maintain these accounts jointly with residents or other non-residents, enabling convenient and adaptable account holding arrangements based on individual financial needs

Third-Party Products

Fee-based Products

Insurance Products

Bring a wide range of insurance solutions designed to provide financial protection and security. Our offerings include traditional life insurance, term insurance, motor insurance, property insurance, personal accident insurance, health insurance, and travel insurance. During FY26, we earned a commission of ₹39.86 crores, reflecting strong performance in the insurance segment.

3-in-1 Demat and Trading Account

Integrates banking, Demat, and trading services for residents seeking a seamless investment experience. This combined platform enables convenient transactions and simplified financial management within a single account.

Money Transfer Services

Facilitate quick and secure fund transfer through our remittance services, which are offered in partnership with third-party service providers. These services ensure efficient fund transfers across different locations.

Safe Deposit Lockers

Provide secure locker facilities across branches to help customers safeguard their valuables. These lockers are available for a fee and offer customers a reliable way to store important documents and assets with confidence.

Foreign Exchange Service

Operate as an Authorised Dealer Category II licensed bank and offer inward and outward non-trade remittance services to our retail customers. These transactions are facilitated under the Liberalised Remittance Scheme in accordance with the Authorised Dealer Category II guidelines issued by the Reserve Bank of India.

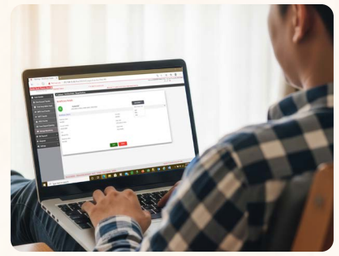
Other Services

211 branches
Across India, as on March 31, 2026

213 ATMs
Across India, as on March 31, 2026

ATM cum Debit Cards

- Bring customers a range of debit card options, including Classic, Classic Business, Platinum, and Platinum Business cards
- Provide access to a wide range of banking services through these RuPay-enabled cards, ensuring convenience, flexibility, and secure transactions

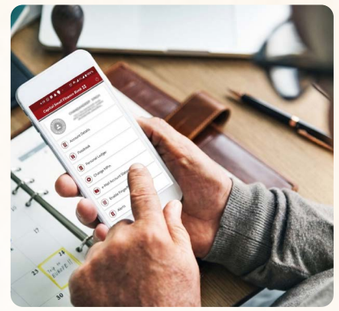


Internet Banking

- Allows customers to perform banking transactions anytime and from any location using their preferred device
- Supports services such as IMPS, NEFT, RTGS, IFT, bill payments, non-financial transactions, account statements, account downloads, debit card management, flight and hotel bookings, NACH mandate management, positive pay, and more

Mobile Banking (Capital Mobile+ App)

- Enables customers to stay connected with the Bank and manage their financial activities conveniently
- Provides the flexibility to access banking services and perform transactions anytime and from anywhere



Mobile Passbook (Capital Mobile Connect)

- Allows customers to conveniently access and monitor their portfolio information
- Offers insights and tracking features that help users to review and manage their investments with ease, though financial transactions are not supported

Technology Initiatives

THRUST ON PHYGITAL, EMPHASIS OF REACH

We blend physical outreach with digital convenience to create an inclusive and efficient banking experience. Customers can engage with our distribution network via branches, internet banking, mobile applications, and our website, enjoying seamless access to cutting-edge service. With particular attention to rural and semi-urban markets, we continue to strengthen our presence through the right mix of physical infrastructure and digital capabilities, enabling wider reach and improved customer connectivity.

Our Digital-Physical Ecosystem

Our omni-channel ecosystem connects branches, website, internet banking, and mobile applications to deliver a consistent and intuitive banking experience. This integrated environment simplifies interactions and ensures that customers can move seamlessly across platforms while managing their financial needs.

This framework is further strengthened through data analytics by providing deeper insights into customer behaviour and preferences. These insights enable us to personalise services, simplify onboarding processes, and support more informed decision-making. In addition, the use of artificial intelligence and machine learning enhances operational efficiency and supports innovation, helping us build a scalable and resilient foundation for future growth.

We undertake continuous credit monitoring to generate timely insights and drive proactive interventions that help maintain portfolio quality.

We design loan origination processes to be streamlined and efficient, reducing friction while improving speed and customer convenience.

We harness a credit assessment framework that integrates digital capabilities with human judgement, ensuring faster decisions supported by informed analysis.

We channel customer insights into our product development journey, enabling us to design solutions that anticipate evolving needs and deliver greater value.

Technology-led Customer Engagement

Technology continues to play a key role in amplifying our customer-centric approach. By streamlining onboarding processes and improving data management practices, we support sustainable business growth while delivering more responsive and efficient banking experiences. For a stronger customer engagement, we are implementing several technology-led initiatives that improve accessibility, efficiency, and service quality.

Our customer acquisition approach includes tailored mobile solutions that make banking more accessible and convenient, especially for digitally inclined users

Our seamless omni-channel experience allows customers to interact with us through the channel that best suits their needs

Our phygital model strengthens customer satisfaction while enabling us to scale operations with consistency and efficiency

Our cutting-edge information technology systems help improve productivity, reduce turnaround times, and support cost optimisation

Our digitisation initiatives enhance operational efficiency by streamlining internal processes and improving service delivery

Our data analytics and early warning systems strengthen credit monitoring, improve collections, and support proactive risk management

Our customer data insights help us identify cross-selling opportunities, foster stronger relationships, and enhance the overall value we deliver to customers

Share of Digital Transactions in Non-cash Transactions (%)

Digital adoption across our non-cash transactions has continued to rise steadily, increasing from 71% in FY22 to 90% in FY26. This growth reflects our ongoing investments in digital capabilities and our focus on delivering convenient, technology-enabled banking services.

Future Roadmap

Looking ahead, we will continue to build a stronger, future-ready technology platform that enhances agility and streamlines operations. By leveraging advanced analytics, we aim to gain deeper customer insights and deliver tailored solutions that create a more differentiated and seamless customer experience.

DEDICATED TO STEWARDSHIP, COMMITTED TO SUSTAINABILITY

We embed responsible practices in our operations, innovation efforts, and growth aspirations. As a financial institution, we are aware of our role in supporting a future where economic advancement is balanced with environmental stewardship. While making both short-and long-term strategic and operational choices, we effectively integrate this perspective to drive sustainable progress for our stakeholders.

Environment

Our efforts focus on reducing environmental impact while encouraging responsible practices across our ecosystem. Through the adoption of digital platforms and paperless banking solutions, we promote more efficient processes that minimise resource consumption and improve customer convenience.

We also take a responsible approach to managing operational waste, including the safe handling and disposal of electronic waste. By working with certified partners and adhering to established environmental guidelines, we ensure that disposal and recycling processes meet regulatory standards and support environmental protection.

All along, we continue to strengthen our sustainability journey, raising awareness and promoting accountability across the organisation. By combining operational stewardship, technology integration, and stakeholder collaboration, we seek to contribute to a cleaner environment while building a resilient and forward-looking institution.

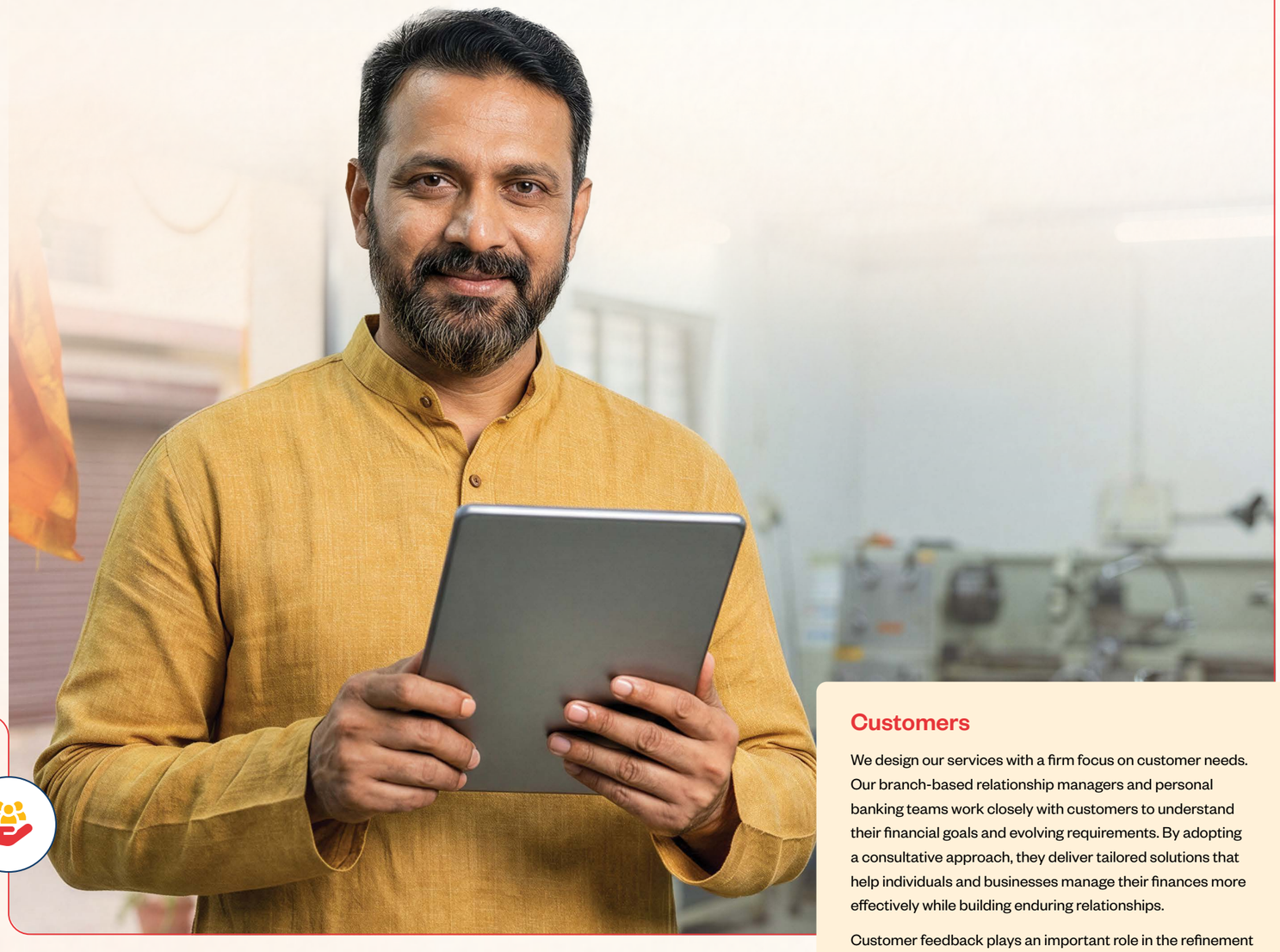
Our Initiatives

- Working with Vendors Registered with the Pollution Control Board (PCB)
- Digital Communications and Solutions Leading to Reduce Paper Usage

Social

INVESTED IN PEOPLE, COMMITTED TO PROGRESS

We drive progress that improves the quality of life for the people and communities around us. In our effort to make positive contributions and drive sustainable development, we focus on targeted interventions and nurture the well-being of our stakeholders. By investing in people and encouraging responsible banking, we consistently focus on forging pathways that lead to collective growth and remain agile enough to deliver welfare in evolving socio-economic landscapes.



Social

Advancing Financial Inclusion

We work to enhance access to banking facilities for individuals, households, and businesses in underserved and unbanked communities. This commitment to inclusive banking shapes our product designs, expansion plans, and community engagement endeavours.

By supporting MSMEs with timely financial solutions, we help entrepreneurs strengthen their businesses, create employment, and contribute to local economic growth. This focus enables us to create community-level impact and encourage enterprises in regions with limited access to participate in the formal financial ecosystem.

Our offerings across agriculture, MSME, trade, and mortgage lending are designed to be simple and accessible. Through customer-centric solutions and a continued focus on financial inclusion, we aim to empower individuals and businesses to grow with confidence and contribute to shared prosperity.

77.25%
Branches in Rural and Semi-Urban Areas

26.54%
Branches in Unbanked Rural Centre (URC)

Customers

We design our services with a firm focus on customer needs. Our branch-based relationship managers and personal banking teams work closely with customers to understand their financial goals and evolving requirements. By adopting a consultative approach, they deliver tailored solutions that help individuals and businesses manage their finances more effectively while building enduring relationships.

Customer feedback plays an important role in the refinement of our offerings. Through structured 360-degree feedback mechanisms, we regularly gather insights that help align our products and services with changing expectations.

To strengthen accountability and service quality, our Standing Committee on Customer Service meets every quarter. The Committee reviews feedback, monitors resolutions, and assesses action-taken reports. This structured process ensures that customer concerns are addressed promptly and transparently.

New Loans Disbursed in Agricultural Sector

Number
9,216

Cumulative Value
₹638.01 crores

New Loans Disbursed in the SME Sector

Number
3,943

Cumulative Value
₹1,042.69 crores

New Loans Disbursed in URC and Rural Branches

Number
6,513

Cumulative Value
₹671.78 crores

New Deposits in URC and Rural Branches

Number
28,897 Accounts

Cumulative Value
₹821.66 crores

Employees

We consider our employees the strongest enabler of our success. By empowering our people with the right combination of opportunities, resources, and support, we bolster their performance and augment their contribution to the Bank's growth. Through development programmes and targeted skill-building initiatives we promote continuous learning that supports both professional advancement and personal well-being.

This commitment is supported by a comprehensive rewards and benefits framework, including competitive compensation, health coverage, retirement benefits, and an Employee Stock Ownership Plan. These initiatives strengthen financial security and foster a shared sense of ownership in the Bank's long-term success.

By constantly emphasising transparency, inclusivity, and open communication, we encourage collaboration, strengthen trust, and build mutual respect across the organisation. By investing in our workforce and upholding strong ethical and human rights standards, we continue to build a resilient and future-ready team.

₹2.65 crores
Employee Insurance

Inclusive Employment and Gender Equality

We prioritise the creation of equitable opportunities. Our recruitment practices focus on attracting diverse talent, while we support existing employees with skill building initiatives and relevant resources to help them grow within the organisation.

The economic empowerment of women is an important part of our commitment to inclusive growth. We promote equal pay for equal work and support the development of our female workforce through targeted training, leadership opportunities, and career advancement programmes.

Our approach to gender equality further highlights our commitment to cultivating an inclusive and balanced society. By embedding diversity and encouraging equal participation, we aim to support sustainable progress for both our organisation and the communities we serve.

Employee Base (as of March 31, 2026)

Male
1,692

Female
557

Educational Qualification of Employees (as of March 31, 2026)

Graduates and Below
1,243

Postgraduates
1,006

Communities

We believe robust communities form the foundation of inclusive and sustainable growth. At Capital SFB, we focus on supporting underserved and economically vulnerable population, particularly in rural and remote regions, helping them build more secure futures.

Through our community initiatives, we aim to improve social and economic well-being by expanding access to opportunities and encouraging self-reliance. By supporting financial independence and social progress, we strive to empower individuals and families to achieve stability and growth.

As we expand our presence, we continue to focus on those cross-sections of society which require developmental push. With this objective, we design our interventions to support education, promote healthier lifestyles, and foster responsible and inclusive growth.

Key Areas of Impact

Education

We support and operate educational initiatives to provide children from underserved communities with access to learning opportunities, equipping them with the skills and knowledge needed for the future.

1

Sports and Youth Development

We encourage sports and recreational activities to promote teamwork, leadership, and healthy lifestyles among young individuals, enabling them to build confidence and discipline.

2

Healthcare Access

We drive preventive care and wellness programmes that help reduce the burden of disease and support the development of healthier communities.

3

Governance

DRIVEN BY RESPONSIBILITY, GUIDED BY RELIABILITY

We thrive on a sound governance framework that steers our discourse, drives our operations, and shapes our decisions. It strengthens our foundation, fortifies our resilience, and propels us to generate enduring value for stakeholders. Encouraging a culture of responsibility at every level, our governance mechanism promotes transparency, establishes accountability, and upholds ethical conduct across the organisation. In doing so, we ensure that our actions consistently align with the trust placed in us.

Clear oversight, defined processes, and continuous evaluation enable us to strengthen operational integrity. As our business evolves, we remain committed to enhancing governance practices that maintain the highest standards of professionalism and regulatory compliance.

Governance

Organised Standard Operating Procedures in Place

We provide a strong policy framework that supports responsible conduct and consistent decision-making across the organisation. These guidelines promote ethical behaviour, accountability, and transparency for employees and stakeholders alike.

Key policies include:

1. Code of Conduct and Ethics
2. Anti-Bribery and Anti-Corruption Policy
3. Prevention of Sexual Harassment Policy
4. Staff Accountability Policy
5. Whistleblower Policy
6. Employee Separation Policy
7. Anti-Money Laundering Policy
8. Other Relevant Operational Policies

Internal Control Mechanism

We cultivate a robust internal control system to ensure compliance with statutory requirements and governance standards. Regular reviews and evaluations by the internal audit function support effective oversight and help identify and address operational discrepancies in a timely manner.

We continuously assess our control framework to respond effectively to evolving business and regulatory environments while maintaining high standards of governance and operational integrity.

Open Communication

We maintain transparent and timely communication with regulators. Through proactive engagement and adherence to regulatory expectations, we ensure that challenges are addressed responsibly and that all applicable requirements are consistently met.

Stakeholder Engagement

CONSISTENT COLLABORATION, ENDURING IMPACT

We believe that active collaboration with stakeholders is key to driving long-term growth and generating enduring impact. Through regular engagement with customers, employees, investors, regulators, partners, and communities, we understand their perspective and enhance the value we create. Our focus on open communication, trust, and transparency helps us accelerate with changing priorities and build lasting connections.

Through structured engagement channels, we gather insights that guide our strategic priorities and operational improvements. Listening carefully to stakeholders allows us to respond effectively and ensures that our actions are in sync with shared goals and responsible business practices.

Stakeholders	Needs and Expectations of Our Stakeholders	Mode of Engagement	KPIs
Investors	• Commitment to ethical business conduct and strong corporate governance • Consistent dividend distribution • Long-term sustainable growth and value generation • Seamless integration of ESG principles into strategy and operations • Clear and transparent reporting and disclosures	• Annual and quarterly reports • Investor meets/calls • Investor presentations • Annual General Meeting • Investor grievance channels • Annual Report	• Credit rating • Net profit • Revenue • Number of customers served • EPS
Business Partners and Suppliers	• Ethical and fair procurement and stakeholder engagement practices	• Regular meetings, seminars, and workshops	• Timely payments • Share of procurements from MSMEs
Employees	• Continuous learning and professional development • Equitable and timely compensation • Performance-based rewards, recognition, and appreciation • Inclusive, diverse, and safe workplace culture • Support for work-life balance	• One-on-one meeting • Training and development workshops • Engagement initiatives • Learning through online modules • Digital apps for employees and collection officers • Performance appraisals	• Number of training hours • Awards received • Diversity in workforce • Number of appraisals and reviews conducted
Local Communities	• Social empowerment and development • Promoting financial literacy • Community well-being initiatives	• Financial inclusion and literacy initiatives • Interventions on health, education, livelihood, and poverty alleviation • Employee volunteering	• Number of beneficiaries • Number of families supported • Initiatives towards CSR • Current welfare measures in operation
Customers	• Bespoke financial products and services • Competitive interest rates • Omni-channel accessibility through physical and digital platforms • Seamless customer service • Safe and secure transactions • Fair, transparent, and responsive grievance redressal mechanism	• Ongoing and regular engagement through emails, calls, SMS, WhatsApp, branch networks, and relationship managers • Social media communication • Marketing campaigns • Customer satisfaction surveys	• Number of products offered • Number of loans disbursed • Number of families supported • Number of branches operational • Number of customers served • Number of customers acquired during the year
Regulatory Authorities	• Adherence to legal and regulatory standards • Commitment to ethical business practices • Active engagement in industry and regulatory forums	• Mandatory regulatory filings • Periodical submission of business performance • One-on-one or group meetings • Written communications	• Liquidity ratio • Number of customer grievances addressed • Contribution to exchequers

Awards & Recognitions

AWARDS THAT INSPIRE, RECOGNITIONS THAT ENCOURAGE

Best BFSI Brands – 2026 by ET Edge

India's Best Workplace in BFSI 2026 by Great Place to Work® Institute India

CORPORATE INFORMATION

Chairman (Part-Time)
Mr. Navin Kumar Maini

Managing Director and Chief Executive Officer
Mr. Sarvjit Singh Samra

Executive Director
Mr. Munish Jain

Chief Financial Officer
Mr. Aseem Mahajan

Company Secretary
Mr. Amit Sharma

Directors

- Mr. Navin Kumar Maini
- Mr. Sarvjit Singh Samra
- Mr. Munish Jain
- Mr. Balbir Singh
- Mr. Gurpreet Singh Chug
- Ms. Rachna Dikshit
- Mr. Kamaldeep Singh Sangha
- Mr. Sukhen Pal Babuta
- Mr. Nageswara Rao Yalamanchili
- Mr. Bhavdeep Sardana

Statutory Auditor
S C V & Co. LLP
Chartered Accountants
505, 5th Floor
World Trade Tower B
C-1, Sector 16
Noida – 201 301, Uttar Pradesh

Secretarial Auditor
Deepak Arora & Associates
Practicing Company Secretaries
23 KA 4 Jyoti Nagar Vidhan Sabha
Jaipur – 302 005, Rajasthan

RTA
MUFG Intime India Private Limited
CIN: U67190MH1999PTC118368
C-101, 247 Park, L.B.S. Marg
Vikhroli (West)
Mumbai – 400 083, Maharashtra
Phone: +91 22 4918 6000
Website: www.in.mpms.mufg.com

Debenture Trustee
IDBI Trusteeship Services Limited
Universal Insurance Building
Ground Floor, Sir P.M. Road
Fort, Mumbai – 400 001, Maharashtra

NSDL
National Securities Depository Limited
Trade World, Wing, 4th Floor
Kamla Mills Compound
Lower Parel
Mumbai – 400 013, Maharashtra

CDSL
Central Depository Services (India) Limited
Marathon Futurex, Mafatlal Mill Compounds
A-Wing, 25th Floor, N.M. Joshi Marg
Lower Parel (East)
Mumbai – 400 013, Maharashtra

Registered Office
MIDAS Corporate Park
3rd Floor, 37, G.T. Road
Jalandhar – 144 001, Punjab

Stock Exchanges where the Company's Securities are Listed

BSE Limited
(Scrip Code – Equity: 544120 and Debt: 951995 & 953739)

National Stock Exchange of India Limited
(Symbol – Equity: CAPITALSFB)

Corporate Identity Number
L65110PB1999PLC022634

Website
www.capital.bank.in

E-mail
investorrelations@capitalbank.co.in

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

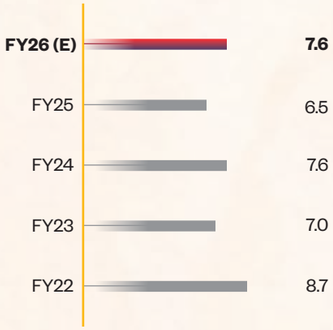
India's economy remains on a strong footing, with GDP projected to grow 7.6% in FY26, positioning the country among the world's fastest-growing major economies yet again. This momentum reflects an unification of robust macroeconomic fundamentals, sustained policy support, and broad-based sectoral performance.

Notwithstanding global headwinds, the economy remained resilient, marked by sound growth, historically low inflation, improving labour market indicators, and strengthening external and financial buffers. However, global risks are intensifying. Recent disruptions in the Strait of Hormuz have already triggered upward pressure on crude oil prices and constrained energy supply chains, while the potential escalation of maritime threats in the Red Sea could further amplify supply-side shocks. These developments may heighten volatility in global energy markets and trade routes, posing downside risks that extend beyond current market expectations.

In this context, the efficacy of India's coordinated fiscal, monetary, and structural policies is evident, having fortified macroeconomic stability and economic resilience. These measures position India to better absorb external shocks and sustain investment, consumption, as well as inclusive development.

As India remains on a structurally resilient trajectory towards evolving into a prosperous upper middle-income economy by CY47, the centenary of its independence, it is building on strong foundations of economic growth, structural reforms, and social progress. The inherent dynamism within the macroeconomic landscape is giving shape to an economy that is consolidating its gains while laying a durable foundation for sustained and inclusive growth.

GDP Growth Trajectory (in %)



E: Estimated

(Source: https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=157581&ModuleId=3&reg=3&lang=1)

Fiscal Push, Anchored in Prudence

The Union Budget 2026-27 further emphasised the continuity of India's policy direction and the resilience that underpinning it. Amid global economic uncertainty, shifting supply chains, and evolving investment dynamics, the Budget reaffirmed the country's commitment to sustained growth and fiscal discipline. It presented a forward-looking vision aimed at bridging the gap between aspiration and achievement while transforming potential into performance. With a firm focus on Yuva Shakti, it prioritised strengthening of domestic manufacturing, scaling high-growth service sectors, while reinforcing infrastructure as one of the key drivers of long-term economic expansion. These core thrusts are expected to enhance economic resilience, improve productivity, and support inclusive and sustainable growth across the economy.

(Source: https://www.investindia.gov.in/team-india-blogs/indias-union-budget-fy-2026-27-key-highlights)

Within this broader framework, agriculture and allied activities remain a prime enabler of growth, generating one-fifth of India's national income at current prices while employing nearly 46% of the workforce. Even as the economy diversifies, the sector remains a critical pillar of socio-economic stability. Alongside, allied segments such as livestock, fisheries, and horticulture are increasingly playing greater roles in driving economic momentum, signalling a gradual shift beyond traditional crop-based agriculture.

The Budget envisioned Indian agriculture as a platform for technology-led resilience, diversification, and income enhancement. The launch of multilingual AI-enabled Bharat-VISTAAR platform signifies a big push in this direction, promoting digital integration and innovation. By integrating AgriStack portals with cutting-edge agricultural knowledge systems, the platform aims to provide farmers with customised, real-time advisory support. It also seeks to improve productivity, reduce risks, and enable more informed decision-making at the grassroots level.

In addition, targeted initiatives for high-value crops such as coconut, cashew, cocoa, and sandalwood, along with enhanced credit support for livestock and fisheries value chains, reflect a strategic push towards value addition and diversification. Backed by a substantial allocation of ₹1.63 lakh crores for agriculture, the Budget effectively highlighted the Indian Government's continued commitment to modernising farm practices and strengthening livelihood opportunities across rural India. It also emphasised the alignment of the sector with the broader vision of sustainable and inclusive economic growth.

(Source: https://www.ey.com/content/dam/ey-unified-site/ey-com/en-in/services/tax/union-budget-2026/ey-agriculture-sector-highlights.pdf

https://timesofindia.indiatimes.com/business/india-business/union-budget-2026-finance-minister-highlights-indias-advances-in-agri-ambitious-viksit-bharat/articleshow/127833612.cms)

Policy Push

The fiscal and monetary policy stance remains pro-growth. The RBI, aligning with the Union Budget's thrust on investment-led growth, has signalled long-term confidence in the economy by initiating the interest rate cut cycle.

Repo Rate Cuts

The RBI having initiated its first rate cut in five years on February 7, 2025 and has since cumulatively reduced the repo rate by 125 basis points, from 6.50% to 5.25%, signalling a shift to a growth supportive monetary policy stance.

CRR Cut

In addition to repo rate reductions, the Reserve Bank of India has also lowered the Cash Reserve Ratio (CRR) by 100 basis points of NDTL in a calibrated manner. The reduction is being implemented in four equal tranches of 25 basis points each, effective from the fortnights beginning September 6, October 4, November 1, and November 29, 2025, at four-week intervals.

India's Economic Ascendancy: Rating Upgrade, Reform Momentum & Growth Leadership

India's Sovereign Rating Upgrade

S&P upgraded India's long-term sovereign credit rating to 'BBB' from 'BBB-', marking the country's 1st sovereign upgrade by S&P in 18 years.

India Ascending: GST 2.0 and Growth Resilience Amid Global Headwinds

India stands tall with GST 2.0: Mega Tax Reforms and robust GDP growth reaffirming its global leadership amidst shifting political equations under the U.S. tariff overhang.

External Sector Resilience

India's external sector remained resilient in FY26 in the face of persistent global economic uncertainties marked by geopolitical tensions, trade frictions, and supply chain disruptions. Despite these headwinds, exports maintained an upward trajectory, with combined merchandise and services exports reaching US$ 863 bn in FY26. This surge amounted to a rise of 5.79% from US$ 747.58 bn, recorded in the corresponding period of the previous fiscal year.

The underlying momentum in exports points to an ongoing structural transformation, with strong performance across key sectors, including engineering goods, electronics, chemicals, gems and jewellery, and agricultural products. This composition highlights the increasing diversification of India's export basket and rising global demand for its goods and services. However, the durability of this growth remains sensitive to external developments, further stressing the importance of sustained policy focus.

(Source: https://m.economictimes.com/news/economy/foreign-trade/indias-total-exports-hit-record-863-billion-in-fy26-services-surge-8-7/articleshow/130867252.cms)

Supported by healthy export traction during FY26, foreign exchange reserves rose to an impressive US$ 728.45 bn as of the week ending February 27, 2026, registering a significant increase from US$ 645.58 bn at the close of FY25. This sustained build-up highlights a clear structural strengthening that comfortably outweighs any episodic, short-term market volatility. In effect, this ample reserve buffer ensures significant import coverage and fortifies India's capacity to withstand external shocks, enhancing macroeconomic stability in the face growing volatilities within global financial landscape.

(Source: https://www.deccanherald.com/business/markets/indias-forex-reserves-jump-usd-488-bn-to-all-time-high-of-usd-72849-bn-3922314)

Complementing external sector resilience, India continues to lead globally in remittance receipts. These inbound transfers play a vital role in supporting the current account and reinforcing overall external stability. The rising contribution from advanced economies reflects the growing presence of skilled Indian professionals in global labour markets.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2220800&reg=3&lang=2)

Inflation remained well controlled, with CPI inflation estimated at 2.1% for FY26, supported by stable food prices, strong agricultural output, and low underlying inflation. However, global uncertainties and fluctuations in energy prices, among other external headwinds, could affect this outlook and require continued caution. In this context, monetary policy maintained a balanced approach by supporting growth, keeping inflation in check, and ensuring sufficient liquidity in the financial system, in line with broader fiscal and structural priorities.

(Source: https://www.indiabonds.com/bonduni/news/february-2026-rbi-monetary-policy-highlights/)

India Stands Tall Amid Geopolitical Headwinds

The global geopolitical landscape remains fluid, marked by persistent conflicts, shifting trade alignments, and heightened strategic competition, all of which have contributed to volatility across commodity prices, supply chains, and capital flows.

Despite these external headwinds, India continues to stand out as a beacon of macroeconomic resilience. Supported by strong domestic demand, a well-capitalised banking system, prudent regulatory oversight, and sustained public investment in infrastructure and digital ecosystems, the Indian economy is well-positioned to navigate global uncertainties.

Structural reforms, improving balance sheets across corporates and financial institutions, and a stable policy environment further reinforce India's growth trajectory, enabling it to absorb external shocks while maintaining momentum towards long-term and sustainable expansion.

Outlook

Looking ahead, India demonstrates a robust growth outlook despite persistent geopolitical challenges, including ongoing conflicts and trade tensions. Buoyed by sound domestic fundamentals, the country's potential growth is pegged for FY27 is estimated at around 7%, with real GDP projected in the range of 6.8% to 7.2%. However, recent IMF assessments indicate that this trajectory could be altered if global disruptions intensify.

India's imminent transition to becoming the world's fourth-largest economy, surpassing Japan, represents a significant milestone. At the same time, it highlights the importance of continued structural reforms to improve productivity, enhance competitiveness, and sustain long-term growth. Overall, the outlook is aligned with policy priorities focused on stability, resilience, and inclusive development, positioning India as a key driver of global growth.

(Source: https://www.pib.gov.in/PressNoteDetails.spx?id=157124&NoteId=157124&ModuleId=3&reg=3&lang=2)

Banking Sector

India's banking sector has strengthened significantly in recent years, reinforcing its role as a key channel of financial transmission supporting macroeconomic stability and growth. This evolution reflects a decisive shift from past vulnerabilities to a phase characterised by stronger balance sheets, improved governance, and enhanced intermediation capacity. Sustained regulatory reforms, strengthened risk management frameworks, and rapid digital adoption have collectively facilitated this transformation, positioning the sector as a key enabler of long-term economic growth.

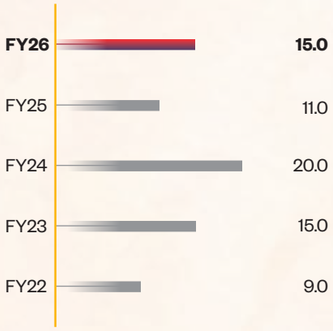
The sector's earlier challenges, marked by elevated non-performing assets and weakened balance sheets due to aggressive lending and inadequate risk assessment, served as a catalyst for structural correction. Enhanced asset quality recognition, stricter provisioning norms, and improved supervisory oversight led to a comprehensive clean-up of bank balance sheets. Simultaneous strengthening of credit appraisal systems and monitoring mechanisms helped in limiting systemic risks and instilled greater financial discipline.

The momentum of this transformation is reflected in the significantly improved operational performance, with banks adopting more prudent lending strategies and focusing on sustainable profitability. Gaining traction from governance reforms, recapitalisation, and consolidation measures, public sector banks recorded a marked turnaround. As a result, the banking system today exhibits stronger capital adequacy, improved asset quality, and greater resilience to economic shocks.

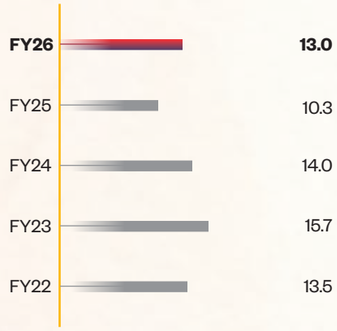
Reform-led consolidation and institutional strengthening have further amplified efficiency and sharpened competitiveness across the sector.

Legal and regulatory frameworks aimed at faster resolution of stressed assets while improved recovery processes embedded greater credit discipline and accountability into the system. Collectively, these measures paved the way for a more robust and transparent financial ecosystem.

Credit Growth (in %)



Deposit Growth (in %)



(Source: https://bfsi.economictimes.indiatimes.com/articles/indias-bank-credit-surges-14-5-yoy-cd-ratio-stays-elevated-at-82-4/129622261)

Within the banking sector, credit growth experienced a robust trajectory, reflecting improved deployment and renewed traction in MSME and rural lending. On the liability side, deposit growth remained resilient on the back of a stable retail franchise, despite intense competition and tight liquidity. The synchronised uptick in credit and deposits indicates a well-managed Credit-to-Deposit ratio and balanced expansion. This recovery highlights the sector's adaptability and positions it for sustainable, high-quality growth.

In parallel, digital transformation reshaped banking service delivery at its core. The rapid expansion of digital payments, mobile banking, and technology-led platforms heightened operational efficiency, reduced transaction costs, and widened outreach. This shift enabled a two-pronged benefit—on the one hand, it enhanced customer experience and on the other, expanded access to underserved and rural markets, bringing the trickle-down impact of technology to the grassroots.

Financial inclusion remains a critical pillar of this evolution. Initiatives such as the Pradhan Mantri Jan Dhan Yojana and the expansion of India Post Payments Bank significantly widened access to formal financial services, integrating millions into the banking system. These policy interventions further strengthened the foundation of India's financial architecture, fostering a more inclusive and digitally-enabled ecosystem.

Today, banks are increasingly playing a catalytic role in supporting broad-based economic growth by channelling credit to MSMEs, agriculture, and emerging sectors. This has fostered entrepreneurship, strengthened rural economic activity, and facilitated greater participation in the formal economy.

Outlook

India's banking sector outlook remains robust, driven by strengthened balance sheets, improved asset quality, and sustained credit expansion. Over the past few years, the sector has undergone a significant transformation, with banks recording declining non-performing assets, stronger capital adequacy, and improved profitability. These improved outcomes reflect greater financial stability and stronger governance standards.

Going forward, credit growth is expected to remain healthy, driven by resilient economic activity, low leverage among corporates, and steady demand across retail, MSME, and infrastructure segments.

Asset quality is projected to stay benign, particularly in the corporate portfolio, while retail and MSME lending continues to demonstrate stability, supported by better underwriting practices and risk management frameworks. Profitability indicators are also expected to remain favourable, with margins stabilising or improving modestly, aided by evolving interest rate dynamics and improved liability management.

However, the outlook is not without risks. Global uncertainties, including geopolitical tensions and elevated energy prices, could impact inflation and interest rate trajectories, with potential implications for economic activity. Such developments could transmit to the banking sector, potentially affecting borrower performance and credit demand.

(Source: https://www.msn.com/en-in/money/topstories/indian-banks-outlook-remains-stable-but-a-prolonged-conflict-in-west-asia-could-throw-up-challenges-moody-s/ar-AA1XTJuH)

Small Finance Banks (SFBs)

The Small Finance Bank segment is transitioning into a more mature and resilient phase, moving beyond its pure-play inclusion model towards a more balanced and risk-calibrated mandate, thereby driving growth within India's banking ecosystem. With sharper underwriting frameworks and an increasing shift towards secured assets, SFBs are redefining their role from niche lenders to structured, full-spectrum credit providers. Their ability to operate in high-friction, underpenetrated markets gives them a strategic edge, highlighting their prowess in serving micro-enterprises, emerging entrepreneurs, and low-income households across hinterland and semi-urban clusters.

Regulatory fine-tuning by the RBI further accelerated this momentum. The recalibration of Priority Sector Lending with reduction in the overall PSL requirement from 75% to 60% of ANBC/CEOBE, while retaining the 40% core PSL, to maintain at least 50% of loans within the ₹25 lakh ticket size marks a timely and well-earned transition for SFBs. This change enhances strategic flexibility, supports more efficient capital deployment, and moves the segment closer to regulatory parity with universal banks to maintain, while preserving the core inclusion mandate. Complementary safeguards such as Liquidity Coverage Ratio norms and risk-weight adjustments ensure the alignment of growth with systemic stability and prudent capital deployment.

(Source: https://www.business-standard.com/industry/banking/small-finance-banks-advances-growth-crisil-ratings-rs-2-trillion-fy26-125102801190_1.html)

The segment's future trajectory is also supported by a clearly defined transition pathway towards universal banking status. SFBs meeting eligibility criteria, including a five-year track record, listing compliance, ₹1,000 crores net worth threshold, and adherence to CRAR norms, are well-positioned to scale into mainstream banking institutions. This regulatory clarity has led to strong credit momentum, with sectoral advances projected to exceed ₹2 tn in FY26, expanding at a steady rate of 16-17% year-on-year. Importantly, growth is increasingly being driven by secured, non-microfinance segments such as affordable housing, MSME financing, vehicle loans, and loans against property.

(Source: https://economictimes.com/markets/stocks/news/after-asset-quality-hit-small-finance-banks-to-sharpen-risk-controls-for-2026/article-show/126473364.cms)

In response to earlier stress cycles within microfinance, SFBs restructured their portfolio mix by prioritising asset quality, collateralisation, and diversification. The easing of PSL norms unlocked additional lending headroom, enabling strategic reallocation towards lower-risk segments. While asset quality trends remain uneven across players, the wider perspective prevailing within the segment reflects improvement, even as some institutions continue to operate at relatively higher levels.

Despite persistent pressures on deposit mobilisation and funding costs, the SFB segment remains well-capitalised, with buffers comfortably above regulatory thresholds. A strong retail deposit franchise provides a stable funding anchor, supporting disciplined and sustainable balance sheet expansion.

Growth Drivers

Favourable Growth Momentum

SFBs are projected to grow at 20-23% in FY26, up from 18-20% in FY25. This robust expansion demonstrates strong underlying demand and improving operating conditions. On the liabilities side, the gradual increase in CASA deposits reflects enhanced funding stability and a shift towards lower-cost deposits.

At the same time, a credit-deposit ratio of approximately 89%, comparable to that of private sector banks, highlights efficient capital deployment and healthy credit appetite. The increasing preference for higher-yielding term deposits is further augmenting balance sheet optimisation.

(Source: https://bfsi.economictimes.indiatimes.com/news/banking/growth-of-small-finance-banks-in-india-projected-to-reach-20-23-pc-in-fy26/117229768)

Emerging Asset Mix

Realignment of portfolio composition is emerging as a strong lever of growth in the SFB ecosystem, with newer asset classes driving incremental momentum beyond traditional segments. These high-growth avenues, which vary based on each bank's strategic focus, typically include mortgages, MSME financing, vehicle loans, and select unsecured personal credit.

This calibrated move towards new-age asset classes enhances yield potential and reduces concentration risks, enabling a more balanced and resilient growth trajectory. As competition intensifies, such portfolio diversification is becoming central to sustaining scale, improving margins, and bolstering long-term viability.

Geographic Expansion

Branch-led expansion has evolved into a key growth driver for SFBs, widening market access and strengthening last-mile connectivity. Between March 2019 and March 2025, the SFB network more than doubled to 7,641 branches, with momentum continuing into FY26.

(Source: https://www.careratings.com/uploads/newsfiles/1760098150_Small%20Finance%20Banks%20Navigating%20Growth%20Amid%20Microfinance%20Challenges.pdf)

A defining feature of this expansion is its alignment with inclusion-driven priorities, as it continues to bring marginalised segments into the formal financial system while reshaping local economies.

Over half of all branches of the SFB ecosystem are located in rural and semi-urban areas, in line with regulatory mandates requiring at least 25% presence in unbanked rural pockets. More importantly, this extended reach has impact way beyond just physical access. It is a vehicle for accelerating shift from informal, high-cost borrowing to structured credit, supporting micro-entrepreneurship and improving household incomes in underserved regions. At the same time, this measured geographic diversification enhances risk dispersion and strengthens balance sheet resilience. As an extensive, pan-regional footprint improves distribution efficiency, it also creates a multiplier effect on local economic activity, supporting durable and broad-based long-term growth.

(Source: https://www.drishtiias.com/daily-updates/daily-news-analysis/small-finance-banks-sfbs)

Technology Initiatives

Digital capability is increasingly positioning itself as the central operating backbone for SFBs, functioning as a powerful equaliser between urban hubs and remote hinterlands. By embedding technology across lending, servicing, and payments, SFBs are enhancing productivity, strengthening data integrity, and dismantling the physical constraints that once restricted financial access. This digital-first architecture helps in expanding reach, facilitating seamless onboarding, and providing cutting-edge services to customers in media-dark and geographically isolated regions where traditional branch expansion was unviable.

This momentum is being further accelerated through deeper integration with mobile banking and UPI ecosystems. With near-frictionless transactions and success rates of around 98.8%, such digital enablement ensures reliable, real-time access even in remote geographies. As UPI adoption moves towards the 1 bn user mark, it continues to strengthen the reach and efficiency of digital financial services.

(Source: https://www.careratings.com/uploads/newsfiles/1760098150_Small%20Finance%20Banks%20Navigating%20Growth%20Amid%20Microfinance%20Challenges.pdf)

Sustaining this digital expansion is a rapidly scaling connectivity footprint across India. This is exemplified in the fact that internet subscribers crossed 1.02 bn as of December 2025, with rural penetration expected to reach 82-83% by the end of FY26. For SFBs, this convergence of digital infrastructure and behavioural shifts is highly synergistic with their growing presence in semi-urban and rural markets. It enables scalable customer acquisition, lower servicing costs, and improved credit assessment through data-led models.

(Source: https://www.thehindu.com/sci-tech/technology/india-now-has-958-million-active-internet-users-57-of-these-are-from-rural-areas/article70566646.ece)

Government Initiatives

Government-led programmes continue to act as strong demand enablers for SFBs, accelerating their reach into underserved segments. Flagship initiatives such as the Pradhan Mantri Jan Dhan Yojana and various credit-linked subsidy schemes are expanding the formal financial net by bringing previously unbanked populations into the formal banking system.

These interventions improve account penetration and augment credit absorption by reducing cost barriers through targeted subsidies. For SFBs, this creates a consistent opportunity to onboard new customers, strengthen engagement, and drive portfolio growth.

Regulatory Support

A progressive regulatory framework remains pivotal in accelerating the evolution of SFBs, with the RBI repositioning them from niche players to increasingly systemic institutions. A key catalyst supporting the SFB segment is the recalibrated Priority Sector Lending (PSL) regime, which mandates a 60% allocation of Adjusted Net Bank Credit (ANBC). This ensures sustained credit flow to underserved segments such as small and marginal farmers and MSMEs, while providing SFBs with a more pragmatic growth runway as they scale.

Equally significant is the RBI's introduction of a voluntary route to Universal Bank status, creating a strong incentive for balance sheet strengthening. Institutions meeting thresholds such as a minimum net worth of ₹1,000 crores and tightly controlled asset quality (Gross NPA ≤ 3% and Net NPA ≤ 1%) can transition beyond the 'Small Finance' classification. This shift adds further credibility, materially improving depositor confidence and lowering funding costs.

Outlook

Looking ahead, SFBs are poised to evolve into agile, digitally enabled and risk-disciplined institutions, combining inclusion-led outreach with a commercially viable growth trajectory. Scale, diversification, and sharper capital efficiency are likely to shape their next phase of growth, positioning them as a critical bridge between grassroots credit demand and the formal financial system.

CAPITAL SMALL FINANCE BANK

Capital Small Finance Bank Limited (also referred to as 'Capital SFB', 'We' or 'the Bank') is a leading regional banking institution that has steadily evolved from a Local Area Bank into India's first Small Finance Bank on April 24, 2016.

With 47 branches across five districts in Punjab, we remained the largest Local Area Bank in the country for over 16 years. Since then, we have expanded our presence across Punjab, Haryana, Rajasthan, Delhi, Himachal Pradesh, and the Union Territories of Chandigarh and Jammu & Kashmir, operating 211 branches across Northern India.

Through our journey of over two decades, we have continued to serve middle-income customers, particularly in rural and semi-urban areas where access to formal banking services has remained limited. Our objective is to enhance financial inclusion and support economic development across these regions. Our core customer base, with annual incomes between ₹4 lakhs and ₹50 lakhs, continues to drive our growth.

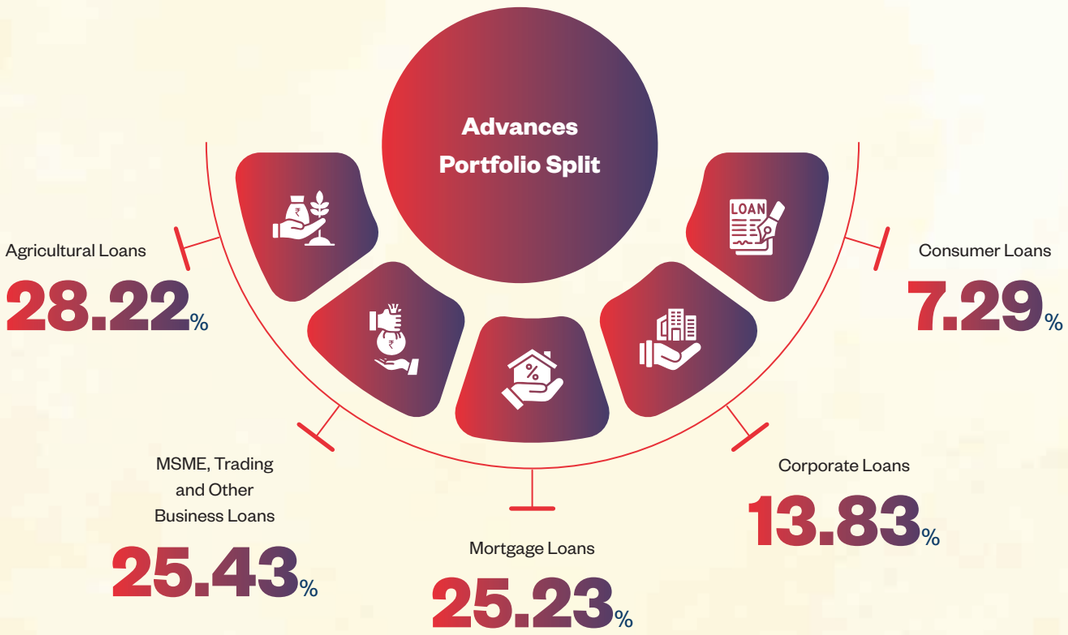
Our business model is built on a diversified product framework, encompassing a range of asset and liability offerings tailored to varied customer needs. These integrated financial solutions cater to requirements across housing, business, and agricultural financing, along with a wide array of ancillary banking services.

As of March 31, 2026, our product portfolio remains well diversified, with average loan exposures across key segments, including agriculture, MSMEs, and mortgage lending, aligned with evolving customer needs and risk considerations.

₹24,517.61 mn
Agricultural Loans

₹22,088.61 mn
MSME, Trading and Other Business Loans

₹21,920.51 mn
Mortgage Lending



VISION FY29

Vision FY29 outlines our ambition to scale Capital SFB into a stronger and more resilient institution over the next three years. The roadmap is centred on accelerating growth, enhancing profitability, maintaining high asset quality and strengthening our market position.

Financial and Growth Targets

Expanding our business while sustaining strong financial performance remains a strategic focus.

Advances Growth
We plan to double our loan book to over ₹16,000 crores by FY29.

Profitability Metrics
We aim to achieve a Return on Assets above 1.6% and a Return on Equity above 15.0%.

Operational Efficiency
We aim to improve cost efficiency by growing revenues faster than expenses, consistently reducing the cost-to-income ratio and optimising operating expenses relative to average assets.

Operational and Network Expansion

Widening our physical and geographic presence remains a key priority under Vision 2029.

Branch Network Expansion
We plan to expand our branch network by 1.5x, reaching over 300 branches by CY29.

Geographic Diversification
We aim to reduce concentration in Punjab by increasing the share of branches outside the state to over 30%, up from 23% as of March 31, 2026.

New Markets
We seek to drive expansion through contiguous regions, with planned entry into Uttar Pradesh and Gujarat.

Asset Quality and Risk Management

Maintaining strong asset quality remains central to our strategy.

Asset Quality Targets

We aim to maintain Net NPAs below 1.0% and credit costs below 0.3% of total average assets.

Secured Lending Focus

We will prioritise secured lending within the middle-income segment, with agriculture, mortgages, and MSME loans expected to contribute 75-80% of the portfolio.

Operational and Network Expansion

Widening our physical and geographic presence remains a key priority under Vision 2029.

Net Interest Margin Expansion

We aim to improve the Net Interest Margin to 4.2-4.3% by optimising the credit-to-deposit ratio to 86-89% and benefitting from the repricing of deposits.

Growth in Non-Interest Income

We strive to expand fee-based income by introducing additional products and services tailored to our customer segments.

Partnership-led Growth

We will leverage partnership-driven secured lending models, including FLDG frameworks, to scale high-yielding portfolios in regions with limited physical presence.

By strengthening our core capabilities and expanding strategically, we are well-positioned to deliver sustainable value, enhance profitability, and build a resilient franchise for the future.

Business Overview

Advances Portfolio/ Loan Book

The Bank pursues a disciplined and risk-conscious approach to lending, enabling the creation of a stable and high-quality advances portfolio. Our strategy balances consistent growth with a strong emphasis on asset quality and risk controls, ensuring long-term sustainability.

We steadily expanded our advances book, supported by healthy disbursements and a well-diversified retail portfolio. Lending remains predominantly secured, reflecting a granular portfolio structure designed to mitigate risk. A significant share of our advances is directed towards key sectors such as agriculture, MSMEs, trading, and mortgage lending, in line with the needs of our core customer segments.

Our lending framework is supported by rigorous underwriting standards and continuous cash flow monitoring. This disciplined approach has translated into healthy asset quality, resulting in low levels of non-performing assets and minimal loan write-offs since inception.

During the year, disbursements increased from ₹2,846.20 crores in FY25 to ₹3,508.3 crores in FY26, reflecting strong demand and effective execution. As of March 31, 2026, ~98% of our loan book was secured, with 77% backed by immovable property and fixed deposits, highlighting our commitment to risk mitigation.

We follow a balanced portfolio strategy within a structured risk management framework, enabling effective diversification across segments while maintaining control over credit exposures. By prioritising risk-adjusted returns, we ensure that each lending decision supports both profitability and long-term asset quality.

Our continued focus is on further strengthening our asset base through prudent lending, disciplined growth, and sustained attention to credit quality, thereby delivering long-term value.

Agriculture

Agriculture remains a primary source of livelihood and economic stability for millions across India. Even amid the expansion of the secondary and tertiary sectors, it continues to significantly influence rural and urban ecosystems, supporting allied industries and sustaining communities at multiple levels.

With wider adoption of technology, increasing mechanisation, and growing emphasis on sustainable practices, agriculture is becoming more productive and future ready. This shift is creating new opportunities while also increasing the need for structured, timely, and reliable financial support.

At Capital SFB, agricultural financing remains a key pillar of our lending strategy. The Bank focusses on serving mid-sized farmers, particularly those with landholdings of five acres or more, by addressing both their short-term and long-term financial requirements.

We offer tailored solutions through products such as Kisan Credit Card and agri-term loans, enabling farmers to manage crop cycles, invest in equipment, and strengthen farm productivity. These offerings are designed with flexible structures, competitive pricing, and repayment schedules aligned with agricultural cash flows, ensuring ease and convenience for borrowers.

A sound understanding of farmer needs and local market dynamics remains our core competence. Our systems and products are designed to be practical and responsive to on-ground realities. To further enhance income stability, our crop financing includes safeguards such as minimum guaranteed pricing, helping farmers manage price volatility.

Our objective is to promote sustainable agricultural growth by providing dependable financial solutions, strengthening rural livelihoods, and supporting long-term economic development.

Financial Highlights FY26

28.22%
Share in Loan Book

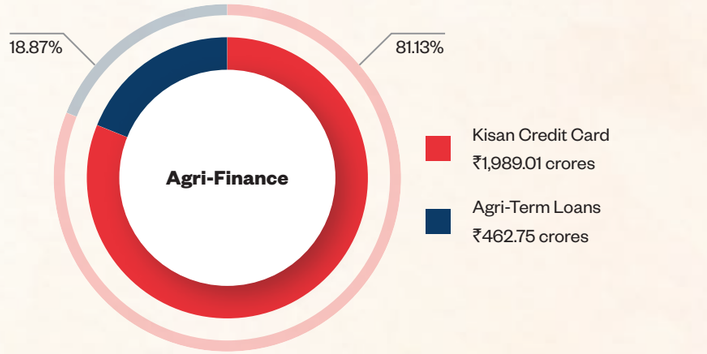
99.95%
Secured Portfolio

₹2,451.76 crores
Loan Book

₹0.13 crores
ATS at Disbursements

₹0.13 crores
ATS at Portfolio

₹638.01 crores
Disbursements



MSMEs, Trading and Other Business Loans

Micro, Small and Medium Enterprises (MSMEs) are a critical lever of India's economic growth, shaping momentum across the country's industrial and entrepreneurial landscape. The sector contributes around 31.1% to GDP, 35.4% to manufacturing output, and close to 48.58% of total exports. With more than 7.47 crores enterprises and a workforce of over 32.82 crores, MSMEs remain the second-largest source of employment in the country after agriculture. As India becomes more integrated with global value chains, MSMEs are playing an important role in strengthening supply chains, driving local value creation, and fostering balanced regional development.

At Capital SFB, our approach to MSME financing focusses on delivering customised financial solutions, backed by a strong understanding of evolving business realities, supporting both immediate cash flow management and long-term expansion. We serve a diverse base of MSMEs, small traders, and service-led enterprises, with solutions designed to be practical, accessible, and growth-oriented.

Although working capital remains a key priority, we recognise that sustainable growth demands broader financial assistance. Accordingly, we support businesses in their expansion plans through machinery financing and project funding, enabling investments in capability expansion. infrastructure, and scale expansion. Our objective is to support entrepreneurs through tailored solutions, helping them strengthen growth momentum and business resilience.

Financial Highlights FY26

25.43%
Share in Loan Book

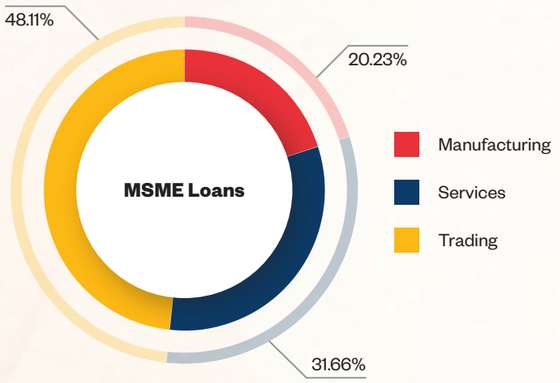
99.82%
Secured Portfolio

₹2,208.86 crores
Loan Book

₹0.30 crores
ATS at Disbursements

₹0.27 crores
ATS at Portfolio

₹1,042.69 crores
Disbursements



Mortgage

Expanding access to formal and dependable credit for emerging middle-income households remains a key priority for the Bank. This segment, often underserved by traditional financing channels, seeks solutions are both are accessible and appropriately structured. Our approach is therefore anchored in small-value lending, enabling us to build a broad-based and stable portfolio while addressing the real, day-to-day financial needs of our customers. We design our offerings to align closely with customer aspirations, supporting both immediate requirements and long-term financial milestones. We also play an active role in enabling homeownership through financing options for the purchase, construction, improvement, and modernisation of residential properties. In doing so, we help individuals create tangible assets while also contributing to sustained demand within the broader economy.

Complementing this, our loans against property allow customers to monetise their assets for a range of uses, from funding business opportunities to meeting personal financial needs. This provides enhanced liquidity and greater control over financial planning. Through these tailored financing solutions, we continue to strengthen financial inclusion and support the upward mobility of middle-income segments, propelling sustainable and resilient economic development.

Financial Highlights FY26

25.23%
Share in Loan Book

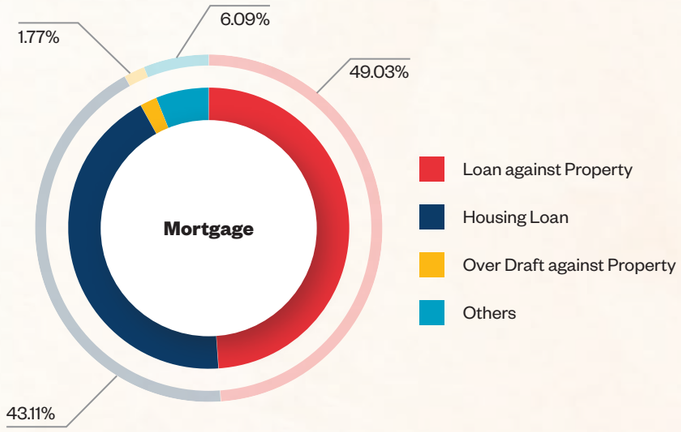
99.96%
Secured Portfolio

₹2,192.05 crores
Loan Book

₹0.17 crores
ATS at Disbursements

₹0.14 crores
ATS at Portfolio

₹727.53 crores
Disbursements



Other Business Loans

Alongside our core lending verticals of MSME, Agriculture, and Mortgage, the Bank has developed a suite of ancillary credit products that add depth to our overall portfolio. These include corporate loans, personal loans, gold loans, and other customised financing options, enabling us to address a wider spectrum of customer requirements.

These offerings create additional avenues to engage with existing customers and support them through varied financial needs over time. This diversified approach strengthens our customer relationships and contributes to a more balanced, resilient loan portfolio.

Financial Highlights FY26

21.11%
Share in Loan Book

₹0.26 crores
ATS at Disbursements

89.52%
Secured Portfolio

₹0.25 crores
ATS at Portfolio

₹1,834.10 crores
Loan Book

₹1,100.07 crores
Disbursements

Funding Mix

A strong and diversified deposit base forms the essence of the Bank's growth strategy, with a clear emphasis on granular retail deposits as a stable and cost-efficient source of funding. Since transitioning to a Small Finance Bank in 2016, we have steadily expanded our retail deposit franchise, benefitting from greater customer stickiness compared to wholesale funding. This sustained trust has enabled us to build a steadily growing and dependable deposit portfolio that supports long-term balance sheet strength.

In FY26, our deposit mix comprised ₹3,181.71 crores in savings accounts, ₹298.09 crores in current accounts, and ₹6,537.85 crores in term deposits, reflecting sustained momentum in deposit mobilisation. We also offer specialised banking solutions to Non-Resident Indians through NRE and NRO accounts, further widening our customer reach.

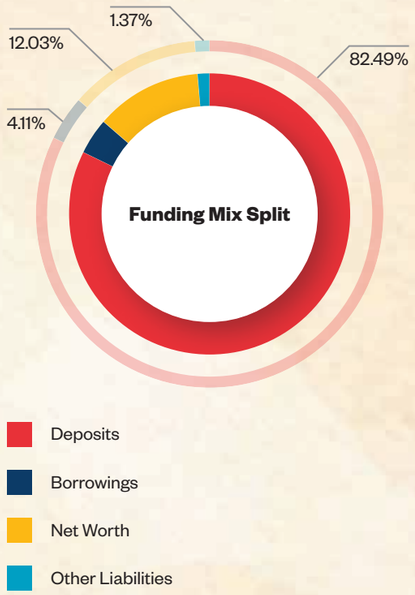
Our retail-led strategy prioritises a stable CASA base while maintaining a healthy term deposit rollover ratio of around 90%. This focus helps us manage interest rate volatility while ensuring a competitive cost of funds. At the same time, it bolsters funding stability, strengthens customer engagement, and amplifies cross-sell opportunities, laying the groundwork for consistent growth.

Reflecting the strength of this approach, total deposits increased from ₹8,322.60 crores to ₹10,017.65 crores as of March 31, 2026, with retail deposits contributing 90.45% of the overall base across 8,38,467 accounts. The Bank maintained a strong CASA ratio of 34.74% despite industry trends favouring higher-yield term deposits. This performance further highlights the resilience of our retail liability franchise.

Our forward momentum will be driven by a wider presence across rural and semi-urban markets, leveraging a phygital model that blends physical outreach with digital convenience. This integration helps deliver relevant, accessible, and efficient banking services tailored to local needs, while strengthening our role as a trusted financial partner.

In a world where digital interventions are increasingly substituting human connection, we ensure personalised service by combining technology with a relationship-led approach. Catering to a wide spectrum of customers, including farmers, micro-entrepreneurs, and small businesses, our trust-led, engagement-driven modus operandi continues to fortify borrower loyalty and community outreach.

We also cater to institutional clients such as government departments, agencies, cooperative banks, and public trusts. A notable achievement in this space is our empanelment as one of the only two Small Finance Banks approved by the Punjab Government for managing deposit placements. This milestone further affirms our credibility and growing institutional presence.



Types of Deposits

Deposits	FY26		FY25	
	₹ crores	% of Total Deposits	₹ crores	% of Total Deposits
CASA	3,479.80	34.74	3,074.48	36.94
Term Deposits	6,537.85	65.26	5,248.12	63.05
Total Deposits	**10,017.65**	**100.0**	**8,322.60**	**100.0**
Bulk Deposit	964.49	9.55	622.43	7.48
Retail Deposits	9,056.76	90.45	7,700.17	92.52

Slab	No. of Savings Accounts	%
Slab 1: ₹0 to ≤ ₹1 lakh	6,51,816	93.19
Slab 2: > ₹1 lakh to ≤ ₹5 lakhs	33,498	4.79
Slab 3: > ₹5 lakhs to ≤ ₹10 lakhs	8,158	1.17
Slab 4: > ₹10 lakhs to ≤ ₹25 lakhs	4,638	0.66
Slab 5: > ₹25 lakhs to ≤ ₹50 lakhs	975	0.14
Slab 6: > ₹50 lakhs	390	0.06
Total	**6,99,475**	**100.00**

Third-Party and Other Products

Capital SFB is increasingly widening its role beyond traditional banking to offer a broader suite of financial products through a well-curated ecosystem of third-party offerings. The objective is to create a seamless, one-stop platform that addresses the varied and evolving financial needs of our customers, while establishing the Bank as a full-spectrum financial solutions provider. Our aim is to offer convenience, accessibility, and comprehensive financial coverage under one roof.

A key pillar of this approach is our robust insurance distribution model, designed to embed protection within the overall financial journey. Through strategic alliances with leading insurers such as ICICI Prudential Life, HDFC Life, Max Life, and Edelweiss Life, we offer a diverse suite of life insurance products. This is complemented by tie-ups with Bajaj Allianz General Insurance and ICICI Lombard, enabling the provision of general and health insurance across motor, property, personal accident, travel, and medical segments. This ensures that our customers are equipped with holistic risk protection solutions.

On the foreign exchange front, the Bank operates as an Authorised Dealer Category-II, facilitating efficient inward and outward remittances through arrangements with AD-I banks and established financial institutions. We also support global money transfers via trusted networks such as Western Union, MoneyGram, and Ria, simplifying cross-border transactions.

To further strengthen our value proposition, we provide integrated 3-in-1 demat and trading account solutions in collaboration with reputed brokerage partners, enabling customers to manage investments, trading, and holdings seamlessly. Safe deposit locker facilities are also available, offering secure and reliable storage for valuables.

Through this expanding suite of services, Capital SFB is building a comprehensive financial ecosystem that enhances customer engagement and drives cross-functional value. Moreover, its strategically evolving product profile is increasingly enhancing its trust equity across its targeted segments.

SCOT Analysis

Strengths

- **Broad-based Product Suite:** Capital SFB offers a well-diversified portfolio spanning agriculture, MSMEs, trading, and mortgage loans, enabling it to cater to varied customer segments with precision.
- **Customer-led Delivery Model:** The Bank builds on a sound understanding of middle-income customers to deliver tailored solutions, fostering strong relationships and sustained engagement.
- **Digital-First Enablement:** The Bank streamlines operations and enhances customer experience through the strategic adoption of technology, as evident in the execution of over 24.08 mn digital transactions in FY26.
- **Secured Lending Framework:** The Bank maintains a prudently structured portfolio, with 97.7% of loans secured and 77.12% backed by immovable property, ensuring effective risk mitigation and balance sheet stability.
- **Strong Financial Trajectory:** The Bank delivered consistent growth, with a CAGR of 18.36% in net interest income and 28.23% in profit between FY21 and FY26.
- **Commitment to Inclusion:** The Bank maintains a sharp focus on underserved segments, reaffirming its role in driving financial inclusion and supporting equitable economic development.

Challenges

- **Intensifying Competition:** Operating in a crowded landscape with PSU banks, private sector banks, NBFCs, and emerging fintech players competing for market share and margins
- **Interest Rate Sensitivity:** Fluctuating interest rates pose risks to margins and profitability, particularly in a dynamic macroeconomic environment
- **Sustaining Asset Quality:** Maintaining asset quality at scale remains critical, as any deterioration could impact financial performance and stability
- **Collateral Dependence:** Relying heavily on secured lending could expose the Bank to potential downside risks arising from fluctuations in collateral values

Opportunities

- **Expanding into Underserved Markets:** Penetrating underbanked regions across India presents significant headroom for growth and portfolio diversification
- **Digital Acceleration:** Ongoing investments in digital platforms can amplify customer experience, drive customer acquisition, and improve operational efficiency
- **Product Expansion:** Introducing complementary offerings such as insurance and investment products can unlock new revenue streams and bolster customer engagement
- **Relationship Deepening:** Strengthening customer connect through personalised services can improve retention, satisfaction, and lifetime value

Threat

- **Shift towards Market-linked Instruments:** The financialisation of household savings is redirecting flows towards mutual funds, SIPs, and direct equities. As a result, SFBs are no longer competing solely within the banking system but against a broader financial ecosystem for the same pool of savings.

Financial Highlights

Statement of Profit and Loss

Particulars (₹ in crores)	FY22	FY23	FY24	FY25	FY26	CAGR (%) (FY21–FY26)
Net Interest Income	255.28	321.98	345.15	410.19	461.42	18.36
Other Income	54.19	49.47	68.08	86.02	98.27	16.48
Gross Total Income	309.47	371.46	413.23	496.21	559.68	18.02
Operating Expenses	196.25	222.75	258.33	309.13	346.18	14.89
Profit for the Period	62.57	93.60	111.53	131.65	141.39	28.23
Earnings per Equity Share						
Basic (₹)	18.41	27.35	30.65	29.18	31.20	-
Diluted (₹)	18.22	27.21	30.45	29.09	31.09	-

Statement of Balance Sheet

Particulars (₹ in crores)	FY22	FY23	FY24	FY25	FY26	CAGR (%) (FY21–FY26)
Capital and Liabilities						
Net Worth	515.78	610.61	1,197.42	1,340.14	1,461.03	26.51
Deposits	6,046.36	6,560.62	7,477.74	8,322.60	10,017.65	13.92
Borrowings	498.43	721.38	472.25	320.58	499.43	-
Other Liabilities and Provisions	93.35	98.16	147.78	124.20	165.84	-
Total	**7,153.92**	**7,990.77**	**9,295.28**	**10,107.51**	**12,143.94**	**13.77**
Assets						
Cash and Balances with RBI	363.99	462.65	568.98	649.84	412.67	-
Balances with Banks and Money at Call and Short Notice	655.06	418.21	752.18	349.88	907.98	-
Investments	1,357.06	1,488.58	1,705.71	1,819.45	1,973.14	10.23
Advances	4,634.80	5,428.69	6,047.69	7,090.39	8,572.41	18.13
Fixed Assets	83.59	82.59	83.73	87.75	96.82	-
Other Assets	59.42	10.05	109.99	110.20	180.91	-
Total	**7,153.92**	**7,990.77**	**9,295.28**	**10,107.51**	**12,143.94**	**13.77**

Key Ratios

Particulars (in %)	FY25	FY26
Net Interest Margin[1]	4.20	4.04
Gross NPAs	2.58	2.54
Net NPAs	1.30	1.24
Return on Assets[2]	1.35	1.23
Return on Equity	10.38	10.10
Return on Average Advances	2.05	1.87
Cost of Deposits	5.87	5.85
CRAR	25.39	22.31

[1] Net Interest Margin is computed based on the Net Interest Income (Interest Income - Interest Expense) and the average of total assets, as reported to the RBI in Form X under Section 27 of the Banking Regulation Act, 1949, for the year.

[2] Return on Assets is calculated with reference to the monthly average working funds, which consist of the total assets excluding any accumulated losses.

Information Technology (IT)

Digital adoption is redefining banking by enhancing efficiency, expanding access, and improving customer experience. It remains central to our transformation journey, shaping service delivery, improving operational efficiency, and elevating customer value. By leveraging technology as a strategic driver, we build scalable, agile, and customer-focussed banking solutions.

Our robust digital foundation, built in partnership with leading technology providers, is aimed at automating and streamlining key banking processes, including loan management, supported by a robust core banking system. This enables us to improve service delivery while maintaining operational efficiency.

Advancing financial inclusion remains a priority, with technology being used to extend our reach to underserved and remote communities. Beyond providing access, we actively conduct financial literacy initiatives and hands-on training programmes to help customers understand and use digital banking tools such as internet banking, mobile banking, and digital payments with confidence.

To enhance customer convenience, personalised assistance is provided by the Bank. Our staff and local representatives guide customers through digital platforms and address concerns related to usability and security. We also organise community engagement activities, including demonstrations and workshops, to build familiarity and trust.

In addition, we collaborate with fintech partners and local authorities to strengthen digital infrastructure and introduce solutions tailored to regional needs. This ensures that digital adoption remains both accessible and sustainable, enabling customers to participate fully in the digital economy.

We offer mobile applications such as Capital Bank Mobile+ and Capital Bank Mobile Connect, along with an upgraded internet banking platform designed for seamless and secure user experience.

Enhanced security features, including advanced encryption and authentication protocols, ensure safe, reliable, and 24x7 access.

Through continuous investment in innovation and user-centric design, we are building a future-ready banking ecosystem that is intuitive, inclusive, and secure, catering to the evolving needs of customers across urban and rural markets.

Treasury Operations

A well-managed treasury function is essential for maintaining financial strength and ensuring efficient capital utilisation. Our treasury function plays a key role in balance sheet management, liquidity planning, funding, and investments. It helps us maintain strict adherence to regulatory requirements, including those prescribed by the RBI. Moreover, the function actively manages key areas such as fundraising, asset-liability alignment, liquidity, and interest rate risk, all of which are critical to optimising the overall cost of funds.

Investment decisions are guided by a Board-approved Investment Portfolio Policy and well-defined Standard Operating Procedures, ensuring disciplined execution, transparency, and regulatory compliance. The portfolio remains diversified across instruments to maintain an appropriate balance between risk and return.

Treasury operations are structured across three functional layers: Front Office, Mid Office, and Back Office. This framework enables efficient execution, continuous monitoring, and comprehensive risk management. It also supports cash flow management, payment settlements, and inter-branch fund transfers, while acting as a vital link between the head office and branch network to ensure smooth liquidity movement.

Our treasury philosophy is based on three core principles: safety, liquidity, and optimal risk-adjusted returns. These principles guide all investment decisions and contribute to building a high-quality and resilient portfolio.

Through disciplined execution and strategic oversight, the treasury function improves profitability by efficiently managing the cost of funds and leveraging yield opportunities within defined risk parameters. This approach strengthens our financial position, enhances capital efficiency, and ensures sustained performance over the long term.

Risk Management

Resilience in banking is built on the ability to anticipate, manage, and mitigate risks effectively. At Capital SFB, risk management is integral to maintaining trust, protecting financial interests, and propelling sustainable growth.

We adopt a proactive approach to identifying and assessing risks, supported by well-defined governance structures and controls, enhancing stability and facilitating informed decision-making. Through continuous monitoring and disciplined risk practices, we strive to create a secure banking environment that safeguards the interests of both our customers and the institution.

Business Risk

Managing concentration risk is essential to maintaining long-term financial stability. The Bank recognises the challenges associated with high exposure to microfinance lending and its potential impact on asset quality and profitability. To address these risks, we are working towards diversifying our loan portfolio by expanding into more secured asset classes such as loans against property, housing finance, and vehicle loans. In addition, we continue to evaluate strategic opportunities, including potential mergers and amalgamations, to further reduce concentration risk and strengthen our capital base. Through these measures, we strive to build a more balanced, resilient, and sustainable growth model that creates long-term value.

Credit Risk

Maintaining asset quality and financial stability requires prudent lending practices. Recognising this, the Bank adopts a disciplined approach to credit risk management. Each loan proposal undergoes a comprehensive assessment of creditworthiness and repayment capacity, supported by a structured evaluation process. Our well-defined credit policies guide decision-making, ensuring consistency and rigour in credit approvals, thereby enabling responsible lending practices.

Operational Risk

Strengthening processes and controls minimise disruptions and safeguard organisational integrity. In this context, the Bank emphasises standardised procedures and continuous employee training to reduce the risk of errors and fraudulent activities. In parallel, our advanced IT infrastructure supports system reliability and protects against cyber threats, ensuring data security and continuity of services. Sustained monitoring and process improvements enable us to amplify operational resilience and maintain a robust control environment.

Technology Risk

Managing technology-related risks is becoming increasingly important against the backdrop of accelerating digital adoption. By strengthening our systems, we ensure secure and reliable operations within such a rapidly evolving environment. We recognise risks such as cyber threats, data breaches, and evolving regulatory requirements. To address these, we are investing in cutting-edge, AI-driven risk assessment capabilities, strengthening our cybersecurity infrastructure and implementing real-time compliance monitoring tools. Complemented by continuous system upgrades and vigilant oversight, these measures enable us to respond effectively to emerging risks while maintaining operational stability.

Market Risk

Monitoring and managing risks arising from external market movements requires a disciplined approach. Our focus includes tracking changes in interest rates, currency fluctuations, and liquidity conditions that may impact operations. This is supported by a dedicated risk management team that uses cutting-edge analytical tools to assess market trends and evaluate potential exposures in a timely manner. We also develop and implement contingency measures to respond effectively to changing conditions, ensuring continuity and stability during periods of uncertainty.

Regulatory Risk

Aligning our practices with evolving legal and regulatory expectations is strongly emphasised. To support this, our compliance team undertakes regular reviews of policies and procedures, ensuring continued adherence to applicable laws, regulatory guidelines, and industry standards. This proactive approach enables us to respond effectively to regulatory changes while maintaining consistency across operations.

Reputation Risk

Safeguarding our reputation remains a key focus area. To support this, we consistently deliver reliable services and prioritise customer satisfaction. Through our structured grievance redressal mechanism, we address customer concerns promptly and effectively, strengthening our credibility. Our sustained commitment to delivering best-in-class service bolsters relationships and enhances the overall customer experience.

Moreover, the Risk Management Committee, under the guidance of the Board, provides strategic oversight by regularly reviewing and strengthening our risk management framework.

Compliance

Capital SFB is built on a foundation of disciplined governance and sound regulatory adherence that shapes the Bank's operational framework. We prioritise compliance across our business practices to ensure transparency, accountability, and alignment with applicable laws and regulations.

The Bank follows a structured framework guided by internal policies and external mandates. Regulatory directives from the RBI, along with standards relating to corporate governance, KYC, AML, and IT, are systematically integrated into our day-to-day operations. This approach ensures consistency, reliability, and process strength.

Operating independently, our compliance function remains agile and forward-looking, continuously aligning with evolving regulatory expectations. It oversees adherence to a broad range of statutory provisions, including the Banking Regulation Act, Companies Act, RBI Act, FEMA, and PMLA, along with guidance from industry bodies such as IBA, FEDAI, and FIMMDA.

In addition, we uphold a robust internal governance structure anchored in our fair practices code and in-house policies. Guided by integrity, objectivity, and discretion, we embed compliance into every aspect of our operations.

By fostering a culture of collective responsibility, the Bank enhances trust, strengthens risk management, and supports sustainable growth.

Human Resources

Capital SFB recognises its people as key to consistent service delivery and sustained organisational performance. We focus on building a capable and engaged workforce that can adapt to evolving industry demands and contribute to lasting growth.

We invest in continuous learning and development to strengthen capabilities and keep pace with changing market dynamics. We foster a work environment that supports collaboration, innovation, and holistic well-being, enabling employees to perform effectively.

We also promote work-life balance through flexible arrangements, comprehensive leave policies, and a supportive workplace culture. Our emphasis on local hiring helps nurture regional talent, while our transparent performance evaluation processes provide clear direction for growth and career progression.

As of March 31, 2026, our workforce comprised 2,249 employees, reflecting our continued emphasis on building a resilient and future reading organisation.

Corporate Social Responsibility (CSR)

Creating value for society requires going beyond business imperatives. At Capital SFB, this is reflected in our commitment to the well-being and progress of the communities we serve.

We established Capital Foundation, a dedicated not-for-profit entity that leads our community development and CSR initiatives. Through this platform, we design need-based, and participatory programmes that address local challenges and enable inclusive socioeconomic development.

Our efforts focus on empowering underserved and marginalised groups, helping them build skills, improve livelihoods, and achieve greater self-reliance. By emphasising long-term outcomes, we strive to create sustainable benefits for individuals and their families.

We prioritise areas with direct and lasting impact, including education, healthcare, livelihood development, and social welfare. Each initiative is guided by a robust governance framework that ensures transparency, accountability, and alignment with our organisational values.

In accordance with the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Government of India, Capital SFB has designed a structured CSR policy. Our CSR Committee is responsible for identifying priority areas, recommending initiatives, and monitoring progress through regular reviews to ensure effective implementation.

Our approach remains rooted in responsibility and purpose, with a continued focus on delivering measurable impact and supporting stronger and more resilient communities.

In FY26, we earmarked ₹2.99 crores for CSR initiatives, reinforcing our commitment to inclusive and sustainable community development.

Commitment to Environmental Stewardship

Responsible growth calls for sustained focus on environmental sustainability. At Capital SFB, this commitment is reflected in our efforts to preserve natural resources and contribute to a cleaner and healthier ecosystem for future generations.

We undertake practical and community-driven initiatives such as developing green belts, conducting tree plantation drives, and promoting eco-friendly alternatives. We also support efforts to reduce plastic usage through the distribution of biodegradable jute bags and facilitate initiatives that encourage cleaner surroundings. In addition, we conduct awareness programmes to promote environmentally responsible behaviour.

Sarv Shiksha Abhiyan

Access to quality education is essential to fostering more inclusive, future-ready communities. At Capital SFB, we support this vision and provide learning opportunities that enable individuals to unlock their potential and explore better opportunities.

Through the Sarv Shiksha Abhiyan, we encourage academic participation by organising talent hunts, extending scholarships, and distributing essential learning materials such as books, school bags, stationery, uniforms, and footwear to eligible students. We also support the development of educational infrastructure and allied systems, particularly in rural and semi-urban regions where access remains limited. In addition, we promote vocational training and life skills development across diverse groups, including children, women, the elderly, and differently abled individuals. These initiatives are aimed at helping them build capabilities and access improved opportunities.

Helping Hands for Water, Food, and Health (WFH)

Ensuring access to basic necessities is fundamental to leading a life of dignity. At Capital SFB, our initiatives are aligned with this objective, with a continued focus on addressing essential needs and improving the overall quality of life for underserved communities.

Our efforts are directed towards improving access to safe drinking water by installing water coolers and purifiers, while supporting the development of allied infrastructure such as tube wells and hand pumps. The Bank also extends support to vulnerable groups through the distribution of winter essentials, including warm clothing and blankets, to the homeless and disadvantaged sections of society.

Our initiatives further extend to healthcare and nutrition. We organise preventive health camps, provide medical assistance to underprivileged, and conduct food distribution drives to support communities in need.

Tomorrow Ready Relief Project

Building resilience is critical to effectively navigating times of crisis. At Capital SFB, we work to strengthen community preparedness and support timely response to unforeseen challenges.

Through the Tomorrow Ready Relief Project, we contribute to disaster management by enabling swift relief assistance and supporting rehabilitation and reconstruction efforts. Our approach focuses on enabling affected communities recover sustainably, while restoring essential services and livelihoods.

Inclusion and Empowerment

Inclusive growth requires sustained efforts to support those who are often left behind. At Capital SFB, we focus on improving the well-being of senior citizens and women from economically and socially disadvantaged backgrounds.

We drive digital and financial literacy initiatives to enable confident participation in an increasingly connected world. We also create opportunities for skill development and livelihood generation, helping individuals build greater financial independence and security.

Our efforts further extend to promoting gender equality and reducing social disparities, thereby fostering a more balanced and inclusive society.

Gear Up India (Rural Sports Development)

Sport can unite, inspire, and create opportunities for growth. At Capital SFB, we are committed to nurturing talent and strengthening the wider ecosystem that supports sporting excellence.

Through Gear Up India, we support Olympic athletes, invest in grassroots programmes, and contribute to the development of emerging leagues. Our initiatives also focus on amplifying player skills and ramping up training infrastructure to create a more conducive environment for athletes to excel.

By expanding access and strengthening support systems, we aim to foster a strong sporting culture and empower the next generation to pursue excellence with confidence.

Healthcare/Donation under COVID-19

Access to quality healthcare continues to be a pressing need, particularly for vulnerable and underserved communities. At Capital SFB, we are focussed on strengthening access to essential healthcare services and improving overall health outcomes.

Our initiatives support the treatment and care of economically disadvantaged individuals. We assist in organising preventive healthcare camps that offer diagnostic and curative services. We also facilitate access to critical medical facilities, treatments, and vaccination programmes, with a focus on senior citizens, women, girls, and other underserved groups.

In addition, we conduct specialised eye care camps to support early identification and timely intervention. Where necessary, we also support surgical procedures and provide corrective aids like spectacles to improve vision and quality of life.

Marketing

Building a strong market presence requires more than visibility. It depends on trust, relevance, and consistent engagement with the right audiences. Our marketing approach is designed to create meaningful connections that support the dual imperatives of immediate growth and long-term brand value.

We leverage customer insights to drive a balanced mix of digital and traditional channels. Targeted digital platforms such as social media, websites, and online campaigns enable precise and measurable engagement, while print, outdoor, and channels strengthen reach and brand recall. This integrated approach allows us to connect effectively across rural and semi-urban markets, while maintaining a strong digital footprint.

Our campaigns are insight-led, focussed, and aligned with strategic business outcomes, highlighting our products, services, and brand proposition. Centred on three priorities, our marketing efforts include:

- **Brand Building:** Establishing a strong and recognisable presence in the market
- **Product Awareness:** Enhancing clarity and relevance of our range of offerings
- **Lead Generation:** Onboarding new customers while strengthening existing relationships

By continuously refining our strategy and focussing on measurable impact, we ensure that marketing remains a key enabler of growth and drives long-term customer engagement.

Cautionary Statement

As per applicable laws and regulations, this report contains some 'forward-looking statements'. However, it should be noted that the actual results may differ from those expressed or implied due to various factors such as economic conditions, government policies, and other related factors.

BOARD'S REPORT

DEAR SHAREHOLDERS,

The Board of Directors ('Board') of Capital Small Finance Bank Limited ('Bank') are pleased to present the 27th Board's report on the business and operations of the Bank together with the audited financial statements for the financial year ended March 31, 2026.

1. Business Overview

The Board of Directors are pleased to present the financial performance of the Bank for the financial year ended March 31, 2026, a year characterised by strong business growth, stable asset quality and resilient profitability, despite a relatively tighter operating environment.

The key performance highlights are as follows:

- As of March 31, 2026, the Bank's **gross advances increased to ₹8,687 crores,** registering a healthy growth of ~21% year-on-year. This growth reflects sustained momentum across core lending segments and continued focus on secured asset expansion
- **Total deposits crossed ₹10,000 crores, at ₹10,018 crores,** reflecting a robust growth of ~20% year-on-year, supported by branch expansion and deepening of customer relationships
- The Bank continued to maintain a stable liability profile, although CASA remained under industry-wide pressure due to a shift towards higher-yielding term deposits
- Asset quality improved to **Gross NPA at 2.54%** and **Net NPA at 1.24%** as of March 31, 2026, reflecting disciplined underwriting and effective risk management practices
- Profitability remained resilient, with **Profit After Tax at ₹141.39 crores**
  - **Return on Assets (RoA)** stood at **1.23%**
  - **Net Interest Margin (NIM)** moderated slightly to **4.04%**, reflecting evolving interest rate dynamics and competitive pressures on cost of funds

During the year, the Bank continued its strategic focus on **balanced growth, operational efficiency and prudent risk management,** while expanding its footprint in both existing and new markets.

The Bank remains committed to strengthening customer relationships, enhancing operational capabilities and building a future-ready institution with a strong foundation for sustainable growth.

The Board expresses its sincere gratitude to all stakeholders for their continued trust and support.

2. Financial Performance and State of Bank's Affairs

The Financial highlights (standalone) for the year under review, are presented below:

Profit and Loss Summary

₹ in crores

	FY26	FY25	Growth (In %)
Income Earned	1,048.60	908.50	15.42
Income Expended	587.18	498.31	17.83
Net Interest Income	461.42	410.19	12.49
Other Income	98.27	86.02	14.24
Net Total Income	559.68	496.21	12.79
Operating Expenses	346.18	310.78	11.39
Provision for Advances	24.70	10.30	139.81
Provisions for Taxes	47.41	43.48	9.04
Profit after Tax	**141.39**	**131.65**	**7.40**

BOARD'S REPORT

Asset and Liability Composition

₹ in crores

	FY26	FY25	Growth (In %)
LIABILITIES			
Capital	45.42	45.25	0.38
Reserves and Surplus	1,415.61	1,294.89	9.32
Deposits	10,017.65	8,322.60	20.37
Borrowings	499.43	320.58	55.79
Other Liabilities and Provisions	165.84	124.20	33.53
Total Liabilities	**12,143.94**	**10,107.51**	**20.15**

₹ in crores

	FY26	FY25	Growth (In %)
ASSETS			
Cash and Balances with Reserve Bank of India	412.67	649.84	(36.50)
Balances with Banks and Money at Call and Short Notice	907.98	349.88	159.52
Investments	1,973.14	1,819.45	8.45
Advances	8,572.41	7,090.39	20.90
Fixed Assets	96.82	87.75	10.34
Other Assets	180.91	110.20	64.16
Total Liabilities	**12,143.94**	**10,107.51**	**20.15**

Key Ratios

In %

	FY26	FY25
Net Interest Margin[1]	4.04	4.20
Gross NPAs	2.54	2.58
Net NPAs	1.24	1.30
Return on Assets[2]	1.23	1.35
Return on Equity	10.10	10.38
Return on Average Advances	1.87	2.05
Cost of Deposits	5.85	5.87
Yield on Advance	10.95	11.20
CRAR	22.31	25.39

Notes:

[1]Net Interest Margin has been computed based on the Net Interest income (Interest Income — Interest Expense) and average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the year

[2]Return on Assets is calculated with reference to monthly average working funds (Working funds taken as total of assets excluding accumulated losses, if any)

BOARD'S REPORT

In Financial Year 2025–26, the Indian economy sustained its growth momentum, supported by stable domestic demand, improving consumption patterns and continued infrastructure spending, albeit amid persistent global uncertainties and evolving interest rate dynamics. The demand for credit remained healthy across segments, providing continued support to the banking sector, particularly Small Finance Banks ('SFBs'). Rising financial awareness, increasing formalisation of the economy and sustained focus on financial inclusion continued to drive demand for small business and retail loans. Government initiatives aimed at strengthening access to formal banking channels, especially in rural and semi-urban areas, further supported the growth and outreach of SFBs.

In contrast to the high interest rate environment of the previous fiscal year, FY26 witnessed a decisive shift towards an accommodative monetary policy stance. The Reserve Bank of India (RBI) undertook a significant easing cycle, reducing the repo rate by a cumulative 125 basis points since February 2025 to 5.25%, a level expected to remain broadly stable through FY27. This shift, supported by moderating food inflation and stable global energy prices, has improved cost-of-funds dynamics for the banking sector. However, credit transmission has remained gradual, with overall bank credit growth moderating to around 10%. This evolving environment presents both challenges and opportunities, with banks having strong liability franchises and efficient transmission mechanisms better positioned to sustain margins.

For the financial year ended March 31, 2026, the Bank delivered steady growth across key financial parameters, demonstrating resilience in a relatively dynamic operating environment. Key indicators such as total assets, deposits and advances registered healthy growth, reflecting the Bank's ability to scale its operations while maintaining prudent risk management. This performance is underpinned by a disciplined approach to balancing growth with asset quality, resulting in a stable loan portfolio with controlled levels of non-performing assets.

While the changing interest rate cycle led to some moderation in margin and return ratios, the Bank continued to maintain stable profitability, supported by strong business momentum and a continued focus on cost discipline and operational efficiency. Ongoing investments in technology, product innovation and customer engagement have further strengthened the Bank's ability to respond effectively to evolving customer needs and competitive dynamics.

Capital Small Finance Bank Limited continued to expand its presence across existing and new geographies, with a focus on deepening its reach in underserved and underbanked segments. The Bank remains committed to strengthening customer relationships and enhancing service delivery, recognising that long-term success is closely linked to customer trust and satisfaction. Through a consistent focus on inclusive banking and sustainable growth, the Bank is well-positioned to build on its strong foundation in the years ahead.

In managing the Bank's liability profile, there is a continued commitment to strengthening existing relationships and maintaining robust levels of Current Account and Savings Account ('CASA') deposits. The Bank has consistently upheld strong CASA ratios, with a ratio of 34.74% as of March 31, 2026, compared to 33.93% as of September 30, 2025. These figures continue to reflect the Bank's strong position in this key segment, well above industry averages. Despite the challenges posed by a rising interest environment, our dedication to cost management is apparent in the sustained favourable cost of funds. For the FY ended March 31, 2026, it stood at 5.99%, while for the previous financial year ending March 31, 2025, it was 6.02%. Additionally, its retail deposits constitute a significant proportion, accounting for 91.45% as on March 31, 2026. Going forward, the Bank remains committed to further increasing its CASA and retail deposits to optimise its cost of funds.

On the asset front, the Bank continues to uphold a strong secured lending strategy, with secured loans making up ~98% of the overall portfolio—approximately ~77% of which is backed by immovable property and fixed deposits. This prudent approach, supported by rigorous credit evaluation and robust risk management practices, has contributed to further improvements in asset quality. As of March 31, 2026, the Bank's Gross Non-Performing Assets ('GNPA') stood at 2.54%, down from 2.58% the previous year, while Net Non-Performing Assets ('NNPA') improved to 1.24% from 1.30%. This year-on-year enhancement reflects the Bank's deep understanding of its borrower profile and its continued emphasis on credit discipline and portfolio quality.

The Bank recognises that interest rates are largely influenced by market dynamics, and our focus remains on actively managing our interest margin through disciplined pricing strategies. Over various interest rate cycles, we have consistently maintained a stable spread in the range of 5.1% to 5.3%, reflecting the resilience of our business model. On the liabilities side, deposits account for approximately 80%–85% of our

BOARD'S REPORT

funding base, including a strong CASA contribution of 35%. On the asset side, 45%–50% of the loan portfolio is linked to floating interest rates, with nearly 75% of that benchmarked to the Marginal Cost of Funds based Lending Rate ("MCLR"), ensuring timely transmission of rate movements.

Furthermore, the Bank's loan portfolio diversification is noteworthy, with advances in Agriculture, MSME, Trading & Other Business Loans, and Mortgages, segments amounting to ₹2,451.76 crores, ₹2,208.86 crores, and ₹2,192.05 crores, respectively, as of March 31, 2026. In the previous year, as of March 31, 2025, these segments accounted for ₹2,334.60 crores, ₹1,511.59 crores and ₹1,923.31 crores respectively. The average ticket size for these segments as of March 31, 2025, stood at ₹1.26 mn, ₹2.19 mn and ₹1.28 mn respectively and as of March 31, 2026 it is ₹1.31 mn, ₹2.70 mn and ₹1.42 mn.

In order to gain a foothold in new markets where the branch network is not yet established, the Bank is actively seeking partnerships to expand geographical presence and better understand these markets. By forging strategic alliances, it aims to mitigate associated risks while diversifying the range of products and services. Such collaborations will not only enhance the offerings but also contribute to the overall growth of Capital Small Finance Bank Limited.

The Bank has consistently delivered strong growth in both profitability and operational performance, reflecting its steadfast commitment to excellence. Over recent years, operating profit before provisions has experienced an exceptional compound annual growth rate (CAGR) of approximately 25%, increasing from ₹71.51 crores in FY21 to ₹218.04 crores in FY26. Profit before tax (PBT) has also seen significant growth, rising from ₹53.74 crores in FY21 to ₹188.80 crores in FY26. Similarly, profit after tax (PAT) surged from ₹40.79 crores in FY21 to ₹141.39 crores in FY26 representing CAGR of 28%. These impressive results underscore the Bank's strong financial position and operational efficiency, backed by its experienced leadership and a dedicated group of shareholders committed to upholding the highest standards of corporate governance.

Moving forward, the focus remains on strengthening of operational and profitability metrics through several key strategies. Firstly, the aim is to optimise asset-liability mix in favour of asset creation while increasing the credit to deposit ratio. Secondly, it continues to emphasise on cost optimisation and efficiency improvement. Lastly, it intends to enhance its fee income and leverage cross-selling opportunities to further diversify our revenue streams.

Cost optimisation remains a central focus for the Bank, and we take pride in our enhanced operational efficiency, reflected in the significant improvement in the operating expense (opex) ratio as a percentage of average assets. This ratio has reduced to 3.00% in FY26, down from 3.17% in FY25, highlighting our successful cost management strategies. Additionally, the cost-to-income ratio continues to show positive momentum, reaching approximately 61.22% in FY26, building on the improvements from 70.75% in FY21.

The Board is confident that the continued focus on maintaining strong liabilities and asset positions will contribute to the sustained growth and success of Capital Small Finance Bank Limited.

3. Dividend

In view of the overall performance of the Bank, while retaining capital to support future growth, the Board of Directors at its meeting held on April 29, 2026, has recommended a Final Dividend of ₹5 per equity share of ₹10 each fully paid up (50% of the face value) for the financial year ended March 31, 2026, resulting in a total dividend payout of 16.06% against earnings of FY26, subject to the approval of the members at the ensuing 27th Annual General Meeting ("AGM") of the Bank. This dividend payout demonstrates the Bank's commitment to delivering value to its esteemed shareholders. The Board believes in sharing the success of the institution with those who have placed their trust and invested in Capital Small Finance Bank Limited. The Board remains dedicated to maintaining a healthy dividend payout ratio while carefully considering the need for reinvestment in the Bank's growth initiatives. The support and confidence of shareholders are greatly appreciated, and the Board is pleased to reward their trust through this dividend declaration.

Further, the dividend is not paid out of Reserves. In terms of the provisions of the Income Tax Act, 2025, the dividend income is taxable in the hands of the shareholders and the dividend will be paid to the shareholders by the Bank after deduction of tax at source ('TDS') at the applicable rates.

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') is not applicable, as your Bank does not fall in top 1,000 listed entities based on market capitalisation. Accordingly, your Bank has not yet formulated and adopted a Dividend Distribution Policy.

BOARD'S REPORT

4. Transfer to Reserves

In terms of RBI regulations and other applicable regulations, the Bank has appropriated the following amounts to various reserves for the financial year ended March 31, 2026:

Particulars	Amount (₹ in crores)
Profit after Tax	141.39
Profit Brought Forward	394.39
Accumulated Profit (before Appropriations)	535.78
Appropriations (Amount Transferred to)	
To Statutory Reserve	35.35
To Special Reserve	5.08
To Revenue and Other Reserves (Investment Fluctuations Reserve)	2.96
To Revenue and Other Reserves (Investment Reserve)	-
To Revenue and Other Reserves (Other Revenue reserve)	-
Dividend Paid during the Year	18.10
Balance Carried Forward to Balance Sheet	474.29

5. Capital Adequacy Ratio (CAR)

The Bank continues to maintain a strong capital position, providing a solid foundation to support growth while ensuring resilience against potential risks. As of March 31, 2026, the Capital Adequacy Ratio (CAR) stood at 22.31%, well above the regulatory requirement of 15%, reflecting a comfortable capital buffer.

During the year, capital levels were calibrated to support business expansion, particularly in the advances portfolio, while maintaining prudent risk thresholds. The moderation in CAR compared to the previous year is primarily attributable to growth in risk-weighted assets, in line with the Bank's expansion strategy.

The Bank follows a disciplined capital management framework, with continuous monitoring of both external and internal risk factors. Macroeconomic developments, interest rate movements and sectoral trends are factored into capital planning, alongside bank-specific risks such as credit, market and operational exposures. This integrated approach enables the Bank to align capital allocation with its risk appetite and business objectives.

A strong capital base remains central to the Bank's strategy, supporting not only regulatory compliance but also providing flexibility to pursue growth opportunities, absorb potential stress and maintain stakeholder confidence. The Bank continues to maintain a prudent buffer over regulatory requirements, ensuring adequate headroom for future expansion.

Going forward, the Bank will continue to actively manage its capital position, with a focus on optimising capital efficiency, supporting asset growth and maintaining resilience in a dynamic operating environment.

6. Capital and Debt Structure

6.1 Share Capital

a. Authorised Share Capital:

During the year under review, there was no change in the Authorised Share Capital of the Bank and as of March 31, 2026, the authorised share capital of the Bank stood at ₹50.00 crores comprising of 5,00,00,000 equity shares of ₹10 each.

b. Issued, Subscribed and Paid-up Share Capital:

The Bank has issued, subscribed and paid-up equity Share Capital of ₹45,41,87,710 comprising of 4,54,18,771 equity shares of ₹10/- each as of March 31, 2026. The Bank, during the year under review, has issued and allotted 39,250 equity shares on August 29, 2025, having face value of

BOARD'S REPORT

₹10 each at a premium of ₹88 (i.e., at the total issue price of ₹98) per share and 1,32,584 equity shares on December 05, 2025 having face value of ₹10 each at a premium of ₹161 (i.e., at the total issue price of ₹171) per share in the form of Employee Stock Option as per CSFB ESOP Plan 2018 and Employee Stock Option as per CSFB ESOP Plan 2023 of the Bank respectively. The equity shares issued during the year under review rank pari passu with the existing equity shares of the Bank.

Apart from above, the Bank did not raise any additional equity share capital during the year.

c. Listing of Equity Shares of the Bank with BSE and NSE

The equity shares of the Bank are listed on BSE Limited and National Stock Exchange of India Limited and open for trade for public at large.

The listing fee for FY27 has been duly paid.

d. Disclosure regarding Employee Stock Option Schemes

The Bank has implemented the following Employee Stock Option Schemes ("ESOP Schemes"), duly approved by the shareholders:

1. **CSFB ESOP Plan 2018:** Capital Small Finance Bank Limited – Employees Stock Option Plan 2018 ('CSFB ESOP Plan 2018') was approved by the shareholders of the Bank in the Annual General Meeting held on August 18, 2018, amended further in Extra Ordinary General Meeting held on October 22, 2021, for granting equity options to its employees.
2. **CSFB ESOP Plan for Material Risk Takers:** Capital Small Finance Bank Limited – Employees Stock Option Plan for Material Risk Takers ('CSFB ESOP Plan MRT') was approved by the shareholders of the Bank through Postal Ballot on July 11, 2020, amended further on October 22, 2021, for granting equity options to Material Risk Takers (MRTs as identified by the Board in terms of Compensation Policy).
3. **CSFB ESOP Plan 2023:** Capital Small Finance Bank Limited – Employees Stock Option Plan 2023 ('CSFB ESOP Plan 2023') was approved by the shareholders of the Bank in the Extra Ordinary General Meeting held on May 12, 2023 for granting equity options to its employees.

The details of the said existing ESOP schemes as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

Scheme	CSFB ESOP Plan 2018	CSFB ESOP Plan for MRTs	CSFB ESOP Plan 2023
Date of Shareholders approval	August 18, 2018	July 11, 2020	May 12, 2023
Total number of Options approved	8,54,720	1,00,000	6,85,049
Exercise price per Option	₹98	₹10	₹171
Total No. of Options outstanding at the beginning of the year	40,750	19,220	6,25,000
Total Options granted during the year	-	20,346	-
Total Options vested during the year	-	6,407	2,47,600
Total Options exercised	39,250	-	1,32,584
Total number of shares arising as a result of exercise of Option	39,250	-	1,32,584
Options forfeited/lapsed	-	-	6,000
Total Options in force as of March 31, 2026	1500	39,566	4,86,416
Variations in terms of Options	Nil	Nil	Nil
Money realised by exercise of Options	38,46,500	-	2,26,71,864

BOARD'S REPORT

Scheme	CSFB ESOP Plan 2018	CSFB ESOP Plan for MRTs	CSFB ESOP Plan 2023
Details of Stock Options granted to Directors and KMPs during the year	KMP: Mr. Munish Jain: NIL Mr. Aseem Mahajan: Nil Mr. Amit Sharma: Nil	KMP: Mr. Munish Jain: 17690 Mr. Aseem Mahajan: Nil Mr. Amit Sharma: Nil	KMP: Mr. Munish Jain: NIL Mr. Aseem Mahajan: Nil Mr. Amit Sharma: Nil
Any other employee who receives a grant of Options in any one year of Options amounting to five percent or more of total Options granted during that period	Nil	Nil	Nil
Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding, warrants and conversions) of the Bank at the time of grant	Nil	Nil	Nil
Any material change to the scheme and whether such scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014	Nil	Nil	Nil
Weblink of disclosures made on the website of the Company, as required under SEBI (Share Based Employee Benefits) Regulations, 2014	https://www.capital.bank.in/investors/disclosures-under-regulation-46-Of-the-LODR		

The ESOPs of the Bank continue to comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As required, a certificate from the Secretarial Auditors confirming compliance with the regulations will be presented at the ensuing Annual General Meeting.

e. Sweat Equity Shares and Equity Shares with Differential Rights

In respect of the disclosure as per Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014, the Bank has not issued any Sweat Equity Shares during the financial year under review.

Pursuant to Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014, the Bank has not issued any Equity shares with differential right during the financial year under review.

6.2 Non-Convertible Bonds

During the financial year ended March 31, 2026, the Bank undertook the following actions in respect of its Non-Convertible Debentures ('NCDs') and subordinated debt instruments:

a. Redemption of Lower Tier II Bonds

The Bank has redeemed 1,200 units of 10.50% Unsecured Redeemable Non-Convertible Subordinated Bond (Lower Tier II) in the nature of Debenture Series – XII (ISIN - INE646H08178) on February 17, 2026 and the interest amount along with principal amount due thereon was credited to the accounts of debenture holders.

b. Exercise of Call Option – Upper Tier II Bonds

Pursuant to prior approval from the Reserve Bank of India and in accordance with the terms of issue, the Bank exercised the call option in respect of the following Rated, Listed, Unsecured, Redeemable Non-Convertible Debentures:

- 140 units under ISIN INE646H08012 (Series XI) redeemed on March 31, 2026
- 2,500 units under ISIN INE646H08020 (Series XIII) redeemed on March 30, 2026

BOARD'S REPORT

The redemption amount, including payment of principal and accrued interest, was credited to the accounts of debentures holders as per following details, in accordance with the applicable terms and regulatory approvals:

NCD Series	Coupon Rate	ISIN	Redemption Amount per NCD (with accrued interest up to the Call Option Exercise Date)	Payment Date
Unsecured Redeemable Non-Convertible (Upper Tier II), Basel I Compliant Bonds 2014-15 (Series XI)	11.75%	INE646H08012	₹11,17,500	March 31, 2026
Unsecured Redeemable Non-Convertible (Upper Tier II), Basel I Compliant Bonds 2015-16 (Series XIII)	11.75%	INE646H08020	₹1,11,750	March 30, 2026

c. Issuance during the Year

During the financial year under review, the Bank has not issued and allotted any Non-Convertible bonds.

7. Debenture Trustee Detail and Rating of Debt Instruments

The Bank has got the following credit rating in respect of unlisted debt securities of the Bank issued in the form of Lower Tier-II Bonds:

NCD Series	Coupon Rate	ISIN	Previous Rating on April 09, 2025	Current Rating on April 06, 2026	Previous Rating on March 07, 2025	Current Rating on February 27, 2026
			By Brickwork Ratings India Private Limited		By Care Ratings Limited	
Unsecured Redeemable Non-Convertible Lower Tier II Basel-II Compliant Bonds 2018-19 in the nature of debentures (Series-XVII)	10%	INE646H08129	BWR A+ Outlook: (Stable) (Reaffirmed)	BWR A+ Outlook: (Stable) (Reaffirmed)	CARE A; Outlook: (Stable) (Reaffirmed)	CARE A; Outlook: (Stable) (Reaffirmed)

Pursuant to exercise of call option by the Bank, the following debt securities of the Bank in the form of Upper Tier – II Bonds, which were listed on BSE Limited, were redeemed and the credit rating details are stated hereunder:

NCD Series	Coupon Rate	ISIN	Previous Rating on April 09, 2025	Current Rating on April 06, 2026	Previous Rating on March 07, 2025	Current Rating on February 27, 2026
			By Brickwork Ratings India Private Limited		By Care Ratings Limited	
Unsecured Redeemable Non – Convertible (Upper Tier II), Basel I Compliant Bonds 2014-15 (Series XI)	11.75%	INE646H08012	BWR A+ Outlook: (Stable) (Reaffirmed)	Withdrawn due to early redemption	CARE A-; Outlook: (Stable) (Reaffirmed)	CARE A-; Outlook: (Stable) (Reaffirmed)

BOARD'S REPORT

NCD Series	Coupon Rate	ISIN	Previous Rating on April 09, 2025	Current Rating on April 06, 2026	Previous Rating on March 07, 2025	Current Rating on February 27, 2026
			By Brickwork Ratings India Private Limited		By Care Ratings Limited	
Unsecured Redeemable Non-convertible (Upper Tier II), Basel I Compliant Bonds 2015-16 (Series XIII)	11.75%	INE646H08020	BWR A+ Outlook: (Stable) (Reaffirmed)	Withdrawn due to early redemption	CARE A-; Outlook: (Stable) (Reaffirmed)	CARE A-; Outlook: (Stable) (Reaffirmed)

Note: The above rating details can be accessed on the website of the Bank at https://www.capital.bank.in/investors/credit-ratings

Contact Details of Debenture Trustee:

Name: IDBI Trusteeship Services Limited

Address: Universal Insurance Building,

Ground Floor, Sir P.M. Road,

Fort, Mumbai – 400001

Email: itsl@idbitrustee.co.in

Tel No. +91-22-40807000

8. Registered Office

During the year under review, there is no change in the registered office of the Bank.

The Registered office of the Bank is situated at MIDAS Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar - 144001, Punjab, India.

9. Dematerialisation of Securities

The Bank has been issued an ISIN for the Equity Shares and debt securities by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL').

The Bank has established connectivity with both depositories to facilitate dematerialisation and trading of its securities in electronic form. The equity shares of the Bank are compulsorily traded in dematerialised form in terms of the SEBI Listing Regulations and applicable circulars/notification issued by SEBI and MCA.

The Bank has ensured that the equity shares held by all Directors, Key Managerial Personnel and Promoter/ Promoter Group (as applicable) are maintained in dematerialised form in compliance with the applicable provisions of the Companies Act, 2013 ('Act') and SEBI Listing Regulations.

Out of total paid up capital, 87.74% of shares are in dematerialised form as of March 31, 2026.

The Bank continues to encourage shareholders holding shares in physical form to dematerialise their holdings to ensure safe, efficient and seamless transferability of securities.

10. Compliances as per the Reserve Bank of India and the Government of India

The Bank has complied with statutory compliance with respect to all the applicable rules/regulations/ guidelines/notifications issued by the Reserve Bank of India and the Government of India.

11. Particulars of Employees

The information in terms of Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-A**.

Further, the statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure-B** and forms part of this report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report.

BOARD'S REPORT

In terms of Section 136(1) of the Act, the Annual Report excluding the said information is being sent to the members of the Bank and others entitled thereto. The said information is available for inspection by the members during business hours at the Registered Office of the Bank up to the date of ensuing AGM.

A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Bank at email id cs@capitalbank.co.in

12. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to the relevant provisions of Section 124 and 125 of the Act and the rules made thereunder, the amount of unpaid dividend that is lying unclaimed for a period of 7 years from the date of its transfer to the unpaid dividend account, is liable to be transferred to Investor Education and Protection Fund (IEPF).

Shareholders may note that both the unclaimed dividend and corresponding shares, which have been transferred to IEPF in previous financial years, including all benefits arising on such shares, can be claimed from IEPF as per the procedure provided under the applicable provisions of the Act. The Bank sends periodic intimation to shareholders, advising them to lodge their claims with respect to unclaimed dividend.

Mr. Amit Sharma, Company Secretary, has been appointed as nodal officer to ensure compliance with the IEPF Rules. The detail of Nodal officer is also provided on the website of the Bank.

Accordingly, Unclaimed Dividends for and up to the financial year ended March 31, 2018, have already been transferred to the IEPF. Further, the Unclaimed Dividend in respect of the financial year ended March 31, 2019, must be claimed by the concerned Shareholders on or before November 03, 2026, failing which it will be transferred to IEPF in accordance with the Rules. The data for the same is available on the website of the Bank at https://www.capital.bank.in/investors/disclosures-under-regulation-62-Of-the-LODR/unclaimed-dividends-equity

The details of Unclaimed Dividend as of March 31, 2026, and the last date for claiming the same, prior to its transfer to the IEPF, are as under:

Dividend for the year ended	Date of declaration of Dividend	Last date for claiming Dividend	Unclaimed Dividend as of March 31, 2026 (Amt. in ₹)
March 31, 2019	September 27, 2019	November 03, 2026	90,270.20
March 31, 2020	-	-	-
March 31, 2021	August 20, 2021	September 26, 2028	1,36,882.00
March 31, 2022	August 5, 2022	September 11, 2029	4,96,788.50
March 31, 2023	August 11, 2023	September 10, 2030	6,37,583.94
March 31, 2024	August 30, 2024	September 30, 2031	38,97,427.31
March 31, 2025	August 01, 2025	August 31, 2032	1,26,61,451.00

Transfer of Underlying Equity Shares in respect of the Unclaimed Dividend to IEPF

Pursuant to the relevant provisions of Section 124 and Section 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Unclaimed Dividend and the underlying Equity Shares of the Bank for FY18 (in case where the Dividend for subsequent 7 financial years have not been claimed by the concerned Shareholder), were liable to be transferred by the Bank to IEPF Authority and in terms thereof, 11,280 equity shares have been transferred to IEPF on October 31, 2025, pursuant to the notification issued by the Ministry of Corporate Affairs (MCA) Dated October 16, 2017.

13. Annual Return pursuant to sub- section (3) of Section 92 of the Act

The draft Annual Return of the Bank in Form MGT – 7 as of March 31, 2026 as mandated under the provisions of Section 92(3) read with Section 134(3)(a) of the Act has been uploaded on the website of the Bank at https://www.capital.bank.in/investors/yearly-compliances

14. Requirement for maintenance of Cost Records

Being a banking company, provisions of Section 148(1) of the Act relating to maintenance of the cost records are not applicable.

BOARD'S REPORT

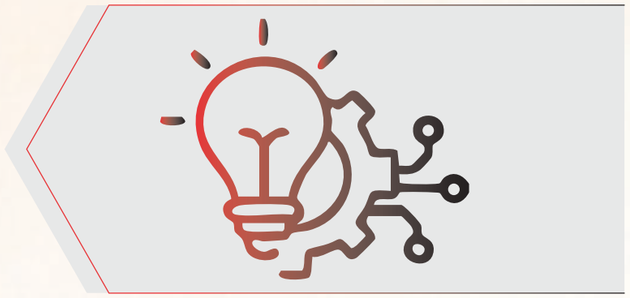
15. Disclosure under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014

Energy Conservation: Being a Banking Company, energy consumed during this period is only in the form of electricity and diesel used in generators. The Bank has allocated specific cost budgets to reduce electric waste for Head Office and all its branches. The same is monitored on a periodical basis. Other measures like use of LEDs, and power saver air conditioning equipment, among others, are being installed for conserving the energy. There is no capital investment on energy conservation equipment other than specified.

The steps taken or impact on conservation of energy and for utilising alternate sources of energy;

- Encouraging green plants in/outside the Bank's premises to lower air conditioning needs and keeping temperatures at 24°C or higher.
- Switching to LED lights instead of traditional ones to cut down on electricity usage.
- Using timers for signage to optimise energy usage.
- Installing power factor systems in electrical panels for efficient electricity use and implementing power factor corrections.
- Recognising the importance of renewable energy for a cleaner future, the Bank has installed a 220 KW solar plant at its Head Office situated at Jalandhar, Punjab

Technology Absorption: We believe that banks with the ability to adopt and integrate information technology will dominate in the highly competitive domestic market. Accordingly, the Bank continues to leverage information technology as a strategic tool in business operations for customer delight by offering efficient and improved services with low cost and using it as a tool to improve staff productivity, increasing efficiency and more efficient & effective control over banking operations.



We are convinced that investing in IT is critical and also understand that its potential and consequences on banking are enormous. That is why the Bank since its inception is equipped with a full-fledged Information Technology Department with required manpower to strengthen, develop, maintain, and support IT infrastructure.

Digital banking for asset products offers convenient banking for customers, eliminating the need for excessive paperwork and enhancing the banking experience. This technological advancement allows the Bank to leverage its capabilities and streamline operations, ultimately leading to increased efficiency and faster service.

Benefits derived like product improvement, cost reduction, product development or import substitution:

The Bank is investing in initiatives and innovations to build a digital gateway to a sustainable lifestyle. The Bank's investments in digital technologies have simplified banking and enabled a smoother customer journey. In addition, the Bank continues to strengthen its core systems and applications with planned upgrades and offers a robust technology platform.

A proper structure and process is available which facilitates the incorporation of risk criteria in the product development and approval process. The Bank is continuously taking various steps on product improvement. Your Bank has implemented a system, which will manage all Bank's IT asset life cycle, i.e., from procurement to scrap and disposal of assets, for all banking operations.

BOARD'S REPORT

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) The details of technology imported: Nil

b) The year of import: Nil

c) Whether the technology has been fully absorbed: Nil

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Nil

Expenditure incurred on Research and Development: Since financial services is being primarily covered under Service Sector, the details of this clause are not applicable to the Bank.

Foreign exchange earnings and outgo: There was no foreign exchange earnings or outgo during the year under review.

16. Disclosures Under Section Sec 134(3)(l) of the Act

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

17. Details of significant and material orders passed by the regulators or courts or tribunals

There were no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Bank and its future operations.

18. Disclosure of Penalties imposed on the Bank during the Financial Year

I. Please refer note 16 to Schedule 18 forming part of the financial statements, which forms part of this annual report.

II. Penalties imposed by stock exchanges or SEBI or any statutory authority, on any matter relating to capital markets: During the review period, no penalty was imposed by stock exchanges or SEBI or any statutory authority on any matter relating to capital markets.

19. Deposits

Being a banking company, the disclosure relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014 read with Section 73 and 74 of the Act and Companies (Acceptance of Deposits) Rules, 2014, are not applicable. The details of the deposits received and accepted by your Bank as a banking company are in the ordinary course of business and have been disclosed in the financial statements for the financial year ended March 31, 2026, forming part of the Annual Report for FY26.

20. Asset-Liability and Risk Management pursuant to Section 134(3)(n) of the Act

The Bank has instituted a comprehensive and robust Risk Management Framework to proactively identify, assess, monitor, and mitigate risks across its operations. Whilst the Board is responsible for framing, implementing, and monitoring the said 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. The Bank follows an integrated approach to managing risks, and these processes are embedded within the fundamental business model. The Risk Management Landscape in the Bank encompasses the stages of identifying, assessing, measuring, managing, controlling, and reporting risk concerns across all major risk classes, viz. Credit, Market, Operational, and Liquidity Risks. The Risk Management Policies, adopted and reviewed periodically, articulate and codify the strategy, structure, processes, and systems to manage bank-wide risks. Expanding business horizons, deregulation, globalisation of financial activities, the emergence of new financial products, and increasing competition have necessitated a more effective and structured risk management framework in financial institutions. The Bank has adopted an integrated approach for risk management, supported by effective internal policies aligned with business requirements and best practices. The Bank has formulated a 'Risk Management Policy', which also includes the Internal Capital Adequacy Assessment Process ('ICAAP') for identifying and measuring various operational, credit, market, and

BOARD'S REPORT

solvency risks. Operational risks are managed through comprehensive internal control systems, including well-defined procedures to monitor transactions, maintain key back-up processes, and undertake regular contingency planning. The Bank continuously strives to enhance its risk management capabilities in line with evolving regulatory guidelines and overarching risk management principles. The Bank reviews the risk management system and the progress made in implementing the RBI guidelines on risk management on a quarterly basis. The Asset Liability Management Committee ('ALCO'), comprising senior management and the Managing Director, is responsible for ensuring adherence to the limits set by the Board, as well as for determining the Bank's business strategy (on both asset and liability sides) in line with the Bank's budget and defined risk management objectives. The Committee actively manages and controls the structure of assets and liabilities and interest rate sensitivities with a view to optimising profitability, while maintaining capital adequacy and sufficient liquidity. Statements for Structured Liquidity, Liquidity Coverage, and Interest Rate Sensitivity of the Bank are prepared in line with RBI guidelines to actively manage liquidity and interest rate risks.

Liquidity Risk Management has been at the core of sound risk management practices in the modern banking industry. Liquidity risk refers to the potential inability to meet the Bank's liabilities as they become due. It arises when banks are unable to generate sufficient cash to cope with a decline in deposits or an increase in assets.

The Bank accords utmost importance to managing risks in the most efficient manner and has articulated a comprehensive structure for liquidity risk management through various policies, including the Contingency Funding Plan ('CFP'), which aims to address adverse liquidity scenarios. The CFP is recommended by ALCO to the Risk Management Committee of the Board ('RMCB') annually for approval and is reviewed quarterly by ALCO. In case any review by ALCO indicates a funding gap, ALCO is responsible for formulating an action plan, which is subject to approval by the RMCB. Further, the decision to activate the lines of defence as per the CFP rests with ALCO. The contingency scenarios are clearly defined. The comprehensive CFP seeks to monitor liquidity on a real-time basis, supported by a diversified and uncorrelated range of funding sources, along with well-defined reporting, escalation, and decision-making channels.

The Bank has constituted a Risk Management Committee. The details of the said committee and its terms of reference are set out in the Report on Corporate Governance, which forms part of this Annual Report. Further, the Bank has formulated a Stress Testing Framework for evaluating the Bank's financial position under severe but plausible scenarios to support informed decision-making. It enables forward-looking assessment of risks, facilitates internal and external communication, and assists senior management in understanding the Bank's condition under stressed situations. Stress testing outputs are highly useful in decision-making, particularly in relation to potential actions such as risk mitigation strategies, contingency planning, and capital and liquidity management under stressed conditions.

Stress testing forms an integral input to the ICAAP, which requires the Bank to undertake forward-looking stress scenarios that identify severe events or changes in market conditions that could adversely impact the Bank. The stress testing reports provide senior management with a comprehensive understanding of material risks to which the Bank may be exposed and support potential actions such as mitigation strategies, contingency planning, and capital and liquidity management under stressed conditions. Further, stress testing serves as an important tool in identifying, measuring, and controlling funding liquidity risks, particularly in assessing the Bank's liquidity profile and the adequacy of liquidity buffers under both bank-specific and market-wide stress scenarios.

The Bank places strong emphasis on risk management and recognises it as the backbone of the banking industry. Given its dynamic and evolving nature, the Bank continuously explores new avenues to strengthen its risk management practices in line with its Risk Management Policy and Framework. This ensures that the overall structure remains well aligned with the Bank's risk appetite, risk assessment, and risk mitigation strategies. The Risk Management Committee continues to provide effective oversight by monitoring and reviewing the risk management plan and discharging its responsibilities in line with the provisions of the Act and SEBI Listing Regulations.

BOARD'S REPORT

21. Independent Directors Declaration in terms of Section 134(3)(d); Section 149(6) of Act and Regulation 16(1)(b) of SEBI Listing Regulations

The composition of Board of Directors of the Bank is governed by the provisions of the Act and the Banking Regulation Act, 1949. The Board of the Bank as of March 31, 2026, consisted of ten Directors, out of which six directors are Independent Directors.

Further, Mr. Sham Singh Bains (DIN: 01537844) retired as Independent Director of the Bank on November 08, 2025 pursuant to expiry of his second term as Independent Director in terms of the provisions of the Act.

The Bank has obtained declaration of independence from all Independent Directors confirming that they meet and comply with the criteria of independence as laid down under Section 149(6) and 149(7), Schedule IV of the Act and Regulation 16(1)(b) & Regulation 25(8) of SEBI Listing Regulations. Further, all the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. During the year under review, the separate meetings of Independent Directors were conducted on December 30, 2025 and March 18, 2026.

The Board has assessed the confirmations submitted by the Independent Directors and thereafter has taken the same on record, as required under Regulation 25(9) of the SEBI Listing Regulations. During the year, there has been no change in the circumstances affecting their status as Independent Directors of the Bank and that they are not debarred from holding the office of director under any SEBI order or any other such authority.

Pursuant to the Rule 8(5) (iiia) of the Companies (Accounts) Rules, 2014, the Board opines that all the Independent Directors of the Bank are competent, proficient and adhere to corporate integrity, possess the requisite expertise, experience and qualifications to discharge the responsibilities and duties as an Independent Director as mandated by the Act and other applicable laws and fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and that they are independent of the management.

All the Independent Directors of the Bank have been registered and are members of the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA). Two Independent Directors were granted exemption and the four Independent Directors had passed the online proficiency self-assessment test.

22. Company's Policy on Directors' Appointment & Remuneration including criteria for determining Qualifications, Attributes, and Independence, among others, in terms of Section 134(3)(e); Section 178(1) & (3) of the Act

Basis the 'Fit and Proper' criteria laid down by the Reserve Bank of India, the Nomination and Remuneration Committee (NRC) of the Bank conducts the due diligence of the Board members on yearly basis except for the Directors who are members of the NRC. The Board of Directors conducts the due diligence of all the Directors on annual basis. Further, at the time of appointment or re-appointment of Director(s), the NRC of the Bank conducts due diligence of the appointee in accordance with the applicable provisions of the Act, rules made thereunder, Banking Regulation Act, 1949, guidelines issued RBI and relevant provisions of SEBI Listing Regulations and the decision is taken based on the outcome.

Further, the Board also conducts due diligence of all the Directors on yearly basis. The due diligence process involves considering the appointment and remuneration of Directors and Key Managerial Personnel as per the guidelines issued by Reserve Bank of India and the Act. The process contains detailed procedures for determining qualifications, positive attributes, due diligence mechanism and reference checks for appointment of Directors and Key Managerial Personnel.

The Bank has put in place the Compensation Policy of Employees including MD & CEO, WTD and other Material Risk Takers (MRTs) and Comprehensive Compensation policy for Non-Executive Directors with a key objective to support organisational strategy by helping to build a competitive, high performance and accompany with an entrepreneurial culture that attracts, retains, motivates and rewards high performing employees as well as properly compensate the employees vis-à-vis their risk and performance involvement. The policies are available on the website of the Bank at https://www.capital.bank.in/investors/secreterial-policies

BOARD'S REPORT

23. Performance Evaluation of Board in terms of Section 134(3)(p) of the Act

The Act and SEBI Listing Regulations provide for evaluation of the performance of the Board, its Committees, Individual Director and the Chairperson of the Bank.

The Nomination and Remuneration Committee (NRC) and the Board has approved the criteria and mechanism for carrying out the evaluation for assessing the performance of the Board and Committees as a whole and individual director. During the year under review, a separate meeting of Independent Directors was held on December 30, 2025, which carried out the annual evaluation of the performance of Non-Executive Non-Independent Directors, Executive Directors, Chairperson, Board as a Whole and Board Committees. Further, the Board of Directors in its meeting held on January 29, 2026, had also conducted the Annual evaluation of performance of Board as a whole, Board Committees, Chairperson, Managing Director, Executive Director, Independent Directors and Non-Executive Directors.

In accordance with the provisions of Section 149(8) read with Schedule IV, Section 178(2) of the Act, Regulation 17 and other applicable Regulations of SEBI Listing Regulations, and in consonance with Guidance Note on Board Evaluation issued by the SEBI, the Board assesses the performance of the Chairperson, Managing Director, Executive Director, Independent Directors and Non-Executive Non-Independent Directors, Board Committees and Board as a whole on the basis of various criteria with the aim to improve the effectiveness of the Individual Director, Chairperson, Committees and the Board. The description and process of annual performance evaluation has been provided in the Report on Corporate Governance annexed with Board's Report as **Annexure-C**.

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

The state of affairs of the Bank in detail has been given separately in different sections of the Board Report and also under Management Discussion and Analysis. There was no change in status of the Bank during the year ended March 31, 2026.

25. Name of the companies which have become or ceased to be Subsidiaries/ Associates or Joint Ventures during the year in terms of Section 134(3)(q) read with Rule 8(5)(iv) of Companies (Account) Rules, 2014

The Bank does not have subsidiary, joint venture and associate company. Further, no company has become or ceased to be the subsidiary, joint venture or associate company of the Bank during the financial year under review.

26. Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank is dedicated to fostering a safe and healthy work environment for all employees, free from prejudice, gender bias, and sexual harassment ('SH'). The Bank upholds a zero-tolerance policy towards any form of sexual harassment and strive to promote a positive and productive workplace for everyone. In alignment with the guidelines set forth in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Bank ensures a safe and conducive work environment for all employees and associates by implementing a Policy on Prevention of Sexual Harassment of Women at the Workplace.

The Bank has formulated and adopted a policy on prevention of sexual harassment of women at workplace and has complied with the provisions by constituting Internal Complaint Committees at Head office level and at regional level (for Branches). The composition of the committees is in consonance with the provisions of the Sexual Harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. These committees are formulated for redressal of complaints for Sexual Harassment of women at the workplace and take all necessary measures to ensure a harassment-free workplace. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity.

BOARD'S REPORT

The following is the summary of the complaints received and disposed of during FY26:

In Head Office (including Regional Offices)

a) No. of SH complaints received: Nil

b) No. of SH complaints disposed off: Nil

c) No. of complaints pending for more than 90 days: Nil

In Branches:

a) No. of SH complaints received: Nil

b) No. of SH complaints disposed off: Nil

c) No. of complaints pending for more than 90 days: Nil

The Committee believes in ethics and takes appropriate action against the employees who have violated the norms, which includes disciplinary action such as warning letter and in some cases termination of employment depending upon the gravity of violation.

27. Adequacy of Internal Financial Controls Related to Financial Statements

Auditors of the Bank are required to report on adequacy and operating effectiveness of internal financial controls of the Bank with report on financial statements prepared under Section 143 of the Act.

The Bank as per the requirement of Section 134(5)(e) has adopted the policies and procedures to ensure orderly and efficient conduct of its business, including adherence to the Bank's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, timely preparation of reliable financial information. The internal financial controls of the Bank with respect to the financial statements are adequate and are operating effectively. The Statutory Auditors expressed their opinion on the adequacy and operational effectiveness of your Bank's internal controls over financial reporting, as required under the applicable provisions of the Act. This opinion can be referred to in the Auditor's Report attached to the audited financial statements for FY26 forming part of this Annual Report.

During the year under review, the Auditors have not reported any instances of frauds committed in the Bank by its Officers or Employees to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in the Report.

28. Directors

The Board of the Bank is duly constituted in accordance with the provisions of Banking Regulation Act, 1949, the Act, SEBI Listing Regulations and other applicable laws/guidelines.

Mr. Sarvjit Singh Samra (DIN: 00477444) was re-appointed and held office as Managing Director & CEO of the Bank w.e.f. April 24, 2025, for a period of three years. Mr. Sarvjit Singh Samra has been instrumental in taking key decisions from day one that has contributed to the Bank emerging as the most preferred Bank in its area of operation. His vision to serve common man and the local touch has given the Bank a competitive edge over other banks operating in the area and the Bank is able to provide safe, efficient and service oriented repository of savings to the local community while reducing their dependence on moneylenders by making need-based credit easily available.

Mr. Munish Jain (DIN: 10132430) was appointed as Whole-Time Director (designated as Executive director) w.e.f August 28, 2023, for a term of three years.

Further, the shareholders vide Postal Ballot approval dated March 25, 2026, has approved the re-appointment of Mr. Munish Jain as Whole-Time Director (designated as Executive Director) of the Bank for further period of three years w.e.f. August 28, 2026, considering his past association with the Bank, his vast and diverse knowledge, experience and professional acumen. The approval of Reserve Bank of India is awaited in this regard.

Part-time Chairman

Pursuant to the approval of the Reserve Bank of India, Mr. Navin Kumar Maini (DIN: 00419921) is acting as Part-time Chairman of Capital Small Finance Bank Limited w.e.f. April 24, 2022, and was re-appointed as Part-time Chairman of the Bank till January 29, 2027.

Retirement/Appointment of Directors in compliance to Section 10(2A)(i) of the Banking Regulation Act, 1949

Mr. Mahesh Parasuraman (DIN: 00233782), Nominee Director of Amicus Capital Private Equity I LLP and Amicus Capital Partners India Fund I, resigned from the Board of the Bank on August 14, 2025, due to his increased professional commitments and responsibilities.

BOARD'S REPORT

Mr. Dinesh Gupta (DIN: 00475319), Non-Executive Non-Independent Director, resigned from the Board of the Bank on August 14, 2025, due to his increased professional commitments in the legal field and his growing involvement in family business.

During the year under review, Mr. Dinesh Gupta and persons related to him (Promoter group) of the Bank were re-classified from the 'Promoter/Promoter Group' category to 'Public' category. Further, the Bank has received no-objection from BSE Limited vide its letter No. LIST/COMP/SJ/551/2025-2026 dated November 14, 2025 and from National Stock Exchange of India Limited vide its letter No. NSE/LIST/COMP/CAPITALSFB/520/2025-2026, dated November 14, 2025 for reclassification of outgoing Promoter group shareholder as Public Shareholder in accordance with Regulation 31A of the SEBI Listing Regulations.

Further, Mr. Sham Singh Bains (DIN: 01537844) Independent Director, retired on November 08, 2025 pursuant to expiry of his second term in term of the provisions of Act.

Mr. Bhavdeep Sardana (DIN: 03516261) was appointed as Additional Director (Category: Non-Executive Non-Independent) on August 04, 2025, and regularised as Non-Executive Non-Independent Director, liable to retire by rotation, on the Board of the Bank on October 23, 2025.

There was no other change in the Board of Directors of the Bank during the year under review.

Directors Retiring by Rotation

In terms of Section 152 of the Act, Mr. Balbir Singh (DIN:02284941), Nominee Director being longest in the office is liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment, offers himself for re- appointment.

The Board is duly constituted as per the provisions of the Banking Regulation Act, 1949, the Act, RBI guidelines for Small Finance Banks and SEBI Listing Regulations, as may be applicable. As of March 31, 2026, the Board consisted of 10 Directors, including 6 Independent Directors (including one woman director), 1 Non-Executive Non-Independent Director, 1 Nominee Director and 2 Executive Directors.

The Composition of the Board of Directors of the Bank as of March 31, 2026, are as follows:

S. No.	Name of Director	DIN	Designation
1	Mr. Navin Kumar Maini	00419921	Part Time Chairman - Non-Executive Independent Director
2	Mr. Sarvjit Singh Samra	00477444	Managing Director and CEO
3	Mr. Munish Jain	10132430	Executive Director
4	Mr. Bhavdeep Sardana	03516261	Non-Executive Non-Independent Director
5	Mr. Balbir Singh	02284941	Non-Executive Director (Nominee Director of SIDBI)
6	Mr. Gurpreet Singh Chug	01003380	Non-Executive Independent Director
7	Ms. Rachna Dikshit	08759332	Non-Executive Independent Director
8	Mr. Nageswara Rao Yalamanchili	06651230	Non-Executive Independent Director
9	Mr. Kamaldeep Singh Sangha	08242130	Non-Executive Independent Director
10	Mr. Sukhen Pal Babuta	01739016	Non-Executive Independent Director

BOARD'S REPORT

Certificate of Non-Disqualification of Directors

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a certificate from Mr. Bunny Sehgal, Proprietor of B. Sehgal & Associates, Company Secretaries, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of the companies either by SEBI or MCA or any other statutory/regulatory authority. The said certificate is available on the website of the Bank at https://www.capital.bank.in/investors/yearly-compliances

Appointments/Resignations of the Key Managerial Personnel

There was no change in the Key Managerial Personnel during the year under review. As of March 31, 2026, and on the date of this report, the following are the Key Managerial Personnel ('KMP') as per Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation
Mr. Sarvjit Singh Samra	Managing Director and Chief Executive Officer
Mr. Munish Jain	Executive Director
Mr. Amit Sharma	Company Secretary and Compliance Officer
Mr. Aseem Mahajan	Chief Financial Officer

29. Corporate Governance

Corporate governance is the combination of rules, processes or laws by which businesses are operated, regulated or controlled and that aim at effective, transparent, and responsible management of a company within the applicable statutory and regulatory structures.

Over the last several years, the external environment in which public companies operate has become increasingly complex for companies and shareholders alike. The increased regulatory burdens imposed on public companies in recent years have added to the costs and complexity of overseeing and managing a corporation's business and bring about new challenges from operational, regulatory and compliance perspectives. Many cases of Management failures and financial crisis have been reported in the finance industry during the financial year and all these are the cause of poor corporate governance.

The Bank is committed to upholding the highest standards of corporate governance and has formulated a Corporate Governance framework which ensures timely disclosures and filing of correct information regarding our financials and performance, as well as the leadership and governance of the Bank. The Board is constituted professionally with a strong commitment to shareholder value, transparency, accountability, ethical standards and regulatory compliance. The Bank's governance framework is structured to ensure that it is managed in the best interests of all stakeholders, including regulators, depositors, customers, employees, shareholders, and others, while maintaining robust risk management and full compliance with applicable laws and regulations. The Bank believes that strong corporate governance is achieved through the adoption of best management practices, strict adherence to legal and regulatory requirements, and a firm commitment to transparency and ethical conduct. Accordingly, the Bank remains committed to continuously enhancing its governance and assurance practices by benchmarking them against global best practices.

The Board's supervisory role is independent and separate from the executive management and the Board Committees. The composition of the Board of Directors as of March 31, 2026, comprised a majority of Independent Directors and this is a great step of the Bank towards better corporate governance.

The Board presently comprises ten Directors and it provides a diverse combination of professionalism, knowledge, expertise and experience as required in the banking business for long-term success. The Board has six Independent Directors constituting more than one-half of its total membership strength (including one woman Director), one Nominee Director,

BOARD'S REPORT

one Non-Executive Non-Independent Director and two Executive Directors. The Directors have distinguished themselves in different walks of life through experience and expertise. The Bank recognises and embraces the benefits of having a diverse Board of Directors to enhance the quality of its performance. The Bank considers increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. The identified key skills/expertise/competencies of the Board and mapping with Individual Director are provided in the 'Corporate Governance Report', forms part of this Report.

The Bank has duly framed policies and codes which are required under the Act, SEBI Listing Regulations and other Laws/Rules/Regulations as applicable on the Bank. The policies/codes as required to disclose on the website of the Bank are available at https://www.capital.bank.in. A report on Corporate Governance and Certificate from the Company Secretary in Practice confirming compliance of conditions, as stipulated under SEBI Listing Regulations, is annexed as **Annexure-C** and forms an integral part of this Annual Report.

Business Responsibility and Sustainability Report

The Bank does not fall in top 1000 listed entities based on the market capitalisation. Hence, Business Responsibility and Sustainability Report is not applicable.

Code of Conduct for Directors and SMPs

In accordance with Regulation 17(5) of SEBI Listing Regulations, the Bank has adopted the Code of Conduct for Directors and Senior Management Personnel ('SMPs'). The code of conduct sets forth the guiding principles for orderly and fair conduct by Directors and SMPs. All Directors and SMPs have affirmed compliance with the code for the FY26 and a declaration to this effect signed by the MD & CEO forms part of Corporate Governance Report annexed with Board's Report as **Annexure-C**. The Bank's Code of Conduct for Directors and SMPs is disclosed on the website of the Bank at https://www.capital.bank.in/investors/secreterial-policies

MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD

➢ **Board of Directors**

Details of the Board of Directors and Board meetings held during the year are provided in the 'Corporate Governance Report', annexed with Board's Report as **Annexure-C.**

During the year under review, eight Board Meetings were convened and held, the details of which are given in the 'Corporate Governance Report', forms a part of this Report. The maximum interval between any two consecutive meetings did not exceed 120 days as prescribed under the Act.

➢ **Board Committees**

The Bank has several committees which have been established as a part of best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The details of the Board Committees of the Bank, including, re-constitution, their terms of reference, number and date of meetings held during FY26 and attendance thereof are disclosed in the Corporate Governance Report annexed with Board's Report as **Annexure-C**.

No instances have been observed where the Board has not accepted recommendations of any of the Board committees.

BOARD'S REPORT

30. Meeting of Independent Directors

As per the requirement of the Section 149(8) read with Schedule IV of Act (Code for Independent Directors) and Regulation 25 of SEBI Listing Regulations, the Independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management.

During the year under review, two meetings of the Independent Directors of the Bank were held, i.e., first meeting held on December 30, 2025 and second meeting held on March 18, 2026, which were exclusively attended by Independent Directors.

31. Details of General Body Meetings

A. Location and time of last three Annual General Meetings (AGMs) and details of special resolutions passed thereat:

Financial Year	Particulars of Meeting	Date and Time	Location	Special Resolution passed, if any
FY23	24th Annual General Meeting	August 11, 2023, at 11:00 am	Through Video Conferencing ('VC')/Other Audio – Visual Means ('OAVM')	• TO APPROVE THE REVISED REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CEO FOR THE PERIOD COMMENCING FROM APRIL 24, 2022, TILL APRIL 23, 2023 • TO APPROVE THE UPDATED REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CEO FOR FINANCIAL YEAR 2023-24 ONWARDS
FY24	25th Annual General Meeting	August 30, 2024, at 11:00 am (IST)	Through Video Conferencing ('VC')/Other Audio – Visual Means ('OAVM')	• TO APPROVE THE REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER FROM APRIL 01, 2024, TO APRIL 23, 2025 • TO APPROVE THE REMUNERATION OF MR. MUNISH JAIN (DIN: 10132430), EXECUTIVE DIRECTOR FROM APRIL 01, 2024, TO AUGUST 27, 2026 • RATIFICATION OF CSFB LIMITED - EMPLOYEE STOCK OPTION PLAN FOR MATERIAL RISK TAKERS
FY25	26th Annual General Meeting	August 01, 2025, at 11:00 am (IST)	Through Video Conferencing ('VC')/Other Audio – Visual Means ('OAVM')	• TO APPROVE THE REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER WITH EFFECT FROM APRIL 01, 2025 • TO APPROVE THE REMUNERATION OF MR. MUNISH JAIN (DIN: 10132430), WHOLE TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR WITH EFFECT FROM APRIL 01, 2025

BOARD'S REPORT

B. Postal Ballot during FY26

Pursuant to provisions of Section 110 and other applicable provisions, if any, of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI Listing Regulations, Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India, General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and subsequent circulars issued in this regard, the latest being 3/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs and other applicable rules/regulations/guidelines/circulars/notifications, the Bank has received shareholders' approval by passing following resolutions through Postal Ballot, as per following details:

Date of Postal Ballot Notice	Agenda Heading	Type of resolution	Date of Passing the resolution through Postal Ballot	Number of Votes		Percentage of Votes	
				In favour	Against	In favour	Against
August 14, 2025	TO APPROVE THE APPOINTMENT OF MR. BHAVDEEP SARDANA (DIN: 03516261) AS A NON – EXECUTIVE NON – INDEPENDENT DIRECTOR ON THE BOARD OF THE BANK WITH EFFECT FROM AUGUST 04, 2025	Ordinary Resolution	October 23, 2025	2,45,44,040	8,725	99.964	0.036
January 29, 2026	TO APPROVE THE REVISION IN THE REMUNERATION OF MR. MUNISH JAIN (DIN: 10132430), WHOLE TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR WITH EFFECT FROM APRIL 01, 2025	Ordinary Resolution	March 25, 2026	2,10,62,867	6,100	99.971	0.029
January 29, 2026	TO APPROVE RE-APPOINTMENT OF MR. MUNISH JAIN (DIN: 10132430) AS WHOLE – TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR WITH EFFECT FROM AUGUST 28, 2026	Ordinary Resolution	March 25, 2026	2,10,62,899	6,068	99.971	0.029
January 29, 2026	TO APPROVE PAYMENT OF REMUNERATION TO MR. SHAHBAZ SINGH SAMRA, RELATED PARTY, AND HOLDING THE OFFICE OR PLACE OF PROFIT	Ordinary Resolution	March 25, 2026	1,30,44,112	53,872	99.589	0.411

Mr. Bunny Sehgal, Proprietor of B. Sehgal and Associates (Membership No.: F11407 and COP No.: 15161), Practising Company Secretary was appointed as the 'Scrutiniser', to scrutinise the e-voting process in a fair and transparent manner pursuant to Rule 22(5) of the Companies (Management and Administration) Rules, 2014.

Procedure of the Postal Ballot

The Postal Ballot procedure followed by the Bank is as per the provisions of Section 108 and Section 110 of the Act read with applicable Rules and the SEBI Listing Regulations and the Secretarial Standards - 2 ('SS-2') issued by the Institute of Company Secretaries of India. Members were provided with the facility to cast their votes through e-voting. The Board of Directors of the Bank had appointed Scrutiniser for conducting the postal ballot voting process fairly and transparently. The Scrutiniser submits his report to the Company Secretary & Compliance Officer as authorised by the Chairman of the Board after the completion of the scrutiny of the e-voting results. Considering the results and report of the Scrutiniser of the Postal Ballot, the resolutions were considered approved. The necessary intimations as required under the applicable provisions of SEBI Listing Regulations were submitted to the Stock Exchanges and post declarations of the results, the same are displayed on the website of the Bank and e-voting service provider.

BOARD'S REPORT

C. Extraordinary General Meeting during the FY26

No Extraordinary General Meeting ('EGM') of the Shareholders was conducted during the FY26.

32. Corporate Social Responsibility

As a responsible corporate entity, Capital Small Finance Bank Limited strongly believes in the idea of paying back to the society in order to run a sustainable business. Accordingly, in Capital Small Finance Bank Limited, Corporate Social Responsibility ('CSR') is considered as an important function. Our CSR activities include encouraging education, commitment to environment stewardship, inclusion & empowerment, promoting sports, ready relief, eradicating hunger and improving health care. We are also managing education centres for underprivileged children.

The Bank's CSR policy and programmes are in accordance with Section 135 of Act, the Bank takes multiple initiatives in the areas of education, green belt, environment, rural sports development, inclusion & empowerment and health. During the year under review, the Bank provided support to flood relief victims. Corporate Social Responsibility Policy of the Bank can also be accessed from the website of the Bank https://www.capital.bank.in/investors/secreterial-policies

The Annual Report on CSR activities as required to be given under Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided as **Annexure-D** which forms part of the Board's Report.

The Bank undertakes its Corporate Social Responsibility activities through various implementing agencies and ₹1,12,19,244.23 has remained unspent as some of the Ongoing Projects has not been fully matured.

Further, as approved by the CSR Committee, the Capital Foundation has transferred the said unspent amount to Unspent Corporate Social Responsibility Account in accordance with the provisions of Section 135(6) of the Act.

Impact Assessment of CSR Projects

The Bank's average CSR obligation in the three immediately preceding financial years does not exceed ₹10 crores. Hence, the Bank is not required to undertake impact assessment, through an independent agency in terms of Rule 8(3)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

33. Green Initiatives

The Ministry of Corporate Affairs ('MCA') has taken a 'Go Green Initiative in the Corporate Governance' by allowing paperless compliances by companies. The applicable provisions of Act read with rules made thereunder permits circulation of financial statements, and notices, among others, to Shareholders through electronic mode as per the records of the Bank's Registrar and Share Transfer Agent or as provided by the Depositories.

In view of the same, the Bank hereby requests all the stakeholders to get their Email address registered with the Bank so as to get the Annual Reports at the Email IDs eliminating the usage of paper mode.

Also, registering your Email address with the Bank will ensure that the Bank can directly connect with you and no important communication from the Bank's side will be missed by you as a shareholder of the Bank.

34. Vigil Mechanism

The Bank values reliability, fairness and equality which form the foundation for all the decisions taken and believes in conducting its affairs in a fair manner to build customer trust and confidence and ensure customer delight. The Bank encourages its employees, all stakeholders and members of general public, who have concerns about suspected misconduct, to come forward and express these concerns without fear of retaliation or unfair treatment. A Whistle-Blower Policy in banking institutions is crucial for fostering transparency, accountability, and ethical behaviour within the organisation.

The Bank has implemented a Whistle-blower Policy, which is periodically reviewed, which provides safeguard against victimisation of employees and Directors. The Policy allows employees to raise concerns on Reportable Matters (as defined in the policy) such as breach of Bank's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues and wastage/misappropriation of bank funds/assets, among others, and also provides for direct access to the Ombudsperson, i.e., Chairman of the Audit Committee of the Bank, in exceptional cases. The policy is available on the Bank's intranet and website. The Whistle-blower Policy complies with all the requirements of Vigil mechanism as stipulated under Section 177 of the Act and Regulation 4(2)(d) and Regulation 22 of the SEBI Listing Regulations,

BOARD'S REPORT

and other applicable laws, rules and regulations, as applicable. The updated Whistle-blower Policy is also available on the website of the Bank at link www.capital.bank.in.

The Bank has also appointed Chief of Internal Vigilance to ensure compliance with all the internal guidelines issued by the Bank from time to time.

The functioning of the Policy is reviewed by the Audit Committee from time to time. The Audit Committee reviews the whistle-blower complaints on quarterly basis. During the review period, no concern has been reported in accordance with the said policy and none of the complainants has been denied access to the Audit Committee of the Board.

35. Loans, Guarantees or Investments in Securities

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

36. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year

During the year under review, no application was made or any proceeding is pending against the Bank under the Insolvency and Bankruptcy Code, 2016.

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

There was no instance of one-time settlement with any other bank/financial institution during the year under review.

38. Particulars of Contracts or Arrangements with Related Parties

All related party transactions conducted during the year under review were in ordinary course of the business of the Bank and carried out at arm's length basis. During the year under review, there were no material significant transactions with related parties (Promoters, Directors, Key Managerial Personnel or other persons) that could potentially create conflict of interest with the interest of the Bank. The Audit Committee has accorded omnibus approval for related party transactions which are of a repetitive nature and entered in the ordinary course of business. Further, the Audit Committee of the Bank reviewed details of all related party transactions entered by the Bank on quarterly basis.

As per Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported in Form AOC-2. The requisite disclosure has been made under Schedule 18 of the note no. 12 forming part of audited financial statements for the financial year ended March 31, 2026.

The Materiality Policy for Related Party Transactions as approved by the Board can be accessed on the website of your Bank at https://www.capital.bank.in/investors/secreterial-policies

39. Disclosure pursuant to Section 197(14) of the Act

The Bank does not have any holding or subsidiary company, therefore no disclosure is required to be made pursuant to the provisions of Section 197(14) of the Act and as per the relevant rules thereunder.

40. Disclosure pursuant to Section 177(8) of the Act

The composition, role and functions of Audit Committee of Board is provided in Corporate Governance Report, which forms part of this Board's Report.

During FY26, the Board has accepted all the recommendations made by Audit Committee of Board and hence, no further explanation in the same regard is required to be provided in this Report.

BOARD'S REPORT

41. Change in Nature of Business

Pursuant to the relevant provision of Rule 8(5) of the Companies (Accounts) Rules, 2014, there were no changes in the nature of Business of the Bank during FY26.

42. Auditors and Auditors' Report

Statutory Auditors and Audit

In consonance with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated April 27, 2021, issued by RBI, Banks are required to appoint Statutory Auditors for a continuous period of three years, subject to the audit firms meeting eligibility criteria annually and obtaining RBI approval on an annual basis.

Post filing the casual vacancy and audit for the FY24, M/s SCV & Co. LLP (FRN 000235N/N500089), Chartered Accountants were appointed as Statutory Auditors of the Bank for the period of two years effective from FY25, which was approved by shareholders of the Bank in 25th Annual General Meeting held on August 30, 2024.

The said Auditors have provided audit report on the financial statements for the FY26. No qualifications, reservations or adverse remarks are reported by Statutory Auditors of the Bank, in their Audit report. Information referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Further, in accordance with Section 143(12) of the Act, the auditors have not identified any instances of fraud within your Bank by its officers or employees.

The said Statutory Auditors have confirmed their eligibility in adherence to Section 141 of the Act and the guidelines issued by the RBI from time to time. Moreover, pursuant to the relevant provisions of SEBI Listing Regulations, the Statutory Auditors have also confirmed their adherence to the peer review process as mandated by the Institute of Chartered Accountants of India ('ICAI'). The Statutory Auditors also possess a valid certificate issued by the Peer Review Board of ICAI, ensuring their competence and professionalism in their field.

As the tenure of three years of M/s SCV & Co. LLP as Statutory Auditors is going to complete as per Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), the Board of Directors, on the recommendation of the Audit Committee, in its meeting held on April 29, 2026, approved the appointment of G S A & Associates LLP (FRN 000257N/N500339) as Statutory Auditor of the Bank for the period of three (03) years effective from FY27, which was proposed for the approval of the Shareholders of the Bank in 27th Annual General meeting scheduled to be held on June 25, 2026. The said appointment shall also be subject to approval of Reserve Bank of India ("RBI") every year.

The Bank has received the approval of Reserve Bank of India ('RBI') vide its letter dated April 16, 2026, for the appointment of M/s. G S A & Associates LLP (FRN 000257N/N500339), Chartered Accountants as Statutory Auditors of the Bank for FY27.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Listing Regulations, the Bank appointed M/s Deepak Arora & Associates, Practicing Company Secretaries through its partner Mr. Deepak Arora (FCS No. 5104 and COP No. 3641) as Secretarial Auditor for five years w.e.f. FY26 to conduct Secretarial Audit of the Bank. M/s Deepak Arora & Associates have confirmed their eligibility as Secretarial Auditors of the Bank for FY27 under the provisions of Section 204 of the Act.

The Secretarial Auditors have not reported any instance of fraud in accordance with Section 143(12) of the Act during the year under review and their report does not contain any qualification, reservation, or adverse remark for FY26. The Secretarial Audit Report for FY26 in form MR-3 is annexed with Board's Report as **Annexure-E**.

Information referred to in the Secretarial Auditors' Report are self-explanatory and do not call for any further comments.

43. Cost Audit

Being the Banking Company, the Bank is not required to appoint a Cost Auditor.

BOARD'S REPORT

44. Annual Secretarial Compliance Report

The Bank has undertaken an audit for FY26 for all applicable compliances as per SEBI Listing Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report pursuant to Regulation 24A of SEBI Listing Regulations will be submitted to the Stock Exchanges within 60 days of the end of the financial year.

45. Familiarisation Programme for Independent Directors

The Bank's Independent Directors are eminent professionals with several decades of experience in Banking and financial services industry, technology, finance, governance and management areas and are fully conversant with the business of the Bank. The familiarisation programme helps ensure that Directors stay up to date with the Bank's business, regulatory environment, and overall operations. This, in turn, enables them to make well-informed decisions in the best interests of the Bank and its stakeholders.

In line with Regulation 25(7) of SEBI Listing Regulations and RBI guidelines, the Bank organised presentations, deep-dive sessions, and discussions during Board and Committee meetings throughout the year. These sessions covered key aspects such as annual plans and strategies, compensation approach, the impact of inflation, non-financial risks, customer service framework, risk management, priority sector lending, liquidity, and new regulatory developments. These interactions were designed to help Independent Directors gain a deeper understanding of the Bank, its management, business operations, and overall functioning, enabling them to effectively carry out their roles and responsibilities and contribute meaningfully to the Bank's sustainable growth.

Further, updates on key regulatory developments including RBI and other regulatory circulars/ notifications/guidelines, among others, are provided to directors on regular basis at the Board and Committee meetings to keep the Directors informed about the dynamic regulatory environment and its impact. The details thereof are disclosed in the Report on Corporate Governance annexed with Board's Report as **Annexure - C** and on the website of the Bank under https://www.capital.bank.in/investors/secreterial-policies

46. Management Discussion and Analysis Report

The Management Discussion and Analysis Report of the financial conditions and results of operations of the Bank for the year under review, as required under Regulation 34(2)(e) of SEBI Listing Regulations, is being given separately and forms a part of the Annual Report.

47. Directors' Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act, in preparation of annual accounts for the financial year ended March 31, 2026, and state that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Bank as at March 31, 2026 and of the profit of the Bank for the year ended on that date.

BOARD'S REPORT

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. Directors had prepared the annual accounts on a going concern basis.

5. The Directors had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively.

6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

48. Compliance with Secretarial Standards

The Bank is in compliance with the applicable Secretarial Standards, i.e., SS-1 and SS-2 relating to Meetings of the Board of Directors and General Meetings respectively issued by the Institute of Company Secretaries of India on regular basis.

49. Compliance with Maternity Benefit Act, 1961

The Bank has complied with the applicable provisions related to Maternity Benefit Act, 1961.

50. Investor Relations

The Bank interacted with investors and analysts through one-on-one meetings, conference calls, and regular quarterly meetings during the year. Earnings call transcripts/recording of the meeting on quarterly/ event-based meetings are posted on the website of the Bank.

51. Prevention of Insider Trading

In compliance with the provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI (PIT) Regulations'), the Board has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons to preserve the confidentiality of price sensitive information, to prevent misuse thereof and regulate trading by designated persons. It prohibits the dealing in the Bank's shares by the promoters, promoter group, directors, designated persons and their immediate relatives, and connected persons, while in possession of unpublished price sensitive information in relation to the Bank and during the period(s) when the Trading Window, to deal in the Bank's shares is closed. Pursuant to the above, the Bank has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the SEBI (PIT) Regulations. The code is available on the Bank's website at https://www.capital.bank.in/investors/secreterial-policies

BOARD'S REPORT

The Board of Directors also formulated a code of practices and procedures for fair disclosure of unpublished price sensitive information containing policy for determination of 'legitimate purposes' as a part of this Code, which is available on the Bank's website at https://www.capital.bank.in/investors/secreterial-policies

52. Anti-Bribery and Anti-Corruption Policy

The Bank upholds a strict 'zero-tolerance approach' towards bribery, corruption, and unethical practices and is committed to conduct all its dealings and operations with professionalism, fairness, and integrity. In alignment with this commitment, the Bank implemented an Anti-Bribery and Anti- Corruption Policy that has been approved by the Board. This policy outlines the fundamental principles for conducting Banking business in a transparent, honest, and ethical manner. The policy can be accessed on the website of the Bank at https://www.capital.bank.in/codes-and-policies

53. Internal Audit

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an ongoing basis. This is primarily provided to ensure that the business and non-business functions are following both internal and regulatory guidelines. In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a risk based internal audit policy.

The Risk Based Internal Audit policy has been designed factoring regulatory guidelines and international best practices. The policy has a well-defined architecture for conducting Risk Based Internal Audit which articulates the audit strategy in terms of a concerted focus on strategic and emerging business risks. These inputs form a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in congruence with the risk profile of each unit to be audited. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, external compliances, and evaluating the risk residing within the audit entities. Further to augment the internal audit function, concurrent audit, off-site audit, and thematic & snap audit reviews have been integrated into the internal audit process to make the function more robust. The Audit function recommends improvements in operational processes, design elements, policies, as part of audit report recommendations.

The Internal Audit function of the Bank operates independently under the supervision of the Audit Committee of the Board, that reviews the efficacy and performance of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal and regulatory guidelines and provide guidance and directions.

54. Awards and Recognitions

During the year under review, your Bank has received the following awards and certifications:

- **Bestowed with BFSI Best Brands 2025**
- **Received the Great Place to Work certification in 2025**

BOARD'S REPORT

55. Acknowledgment

The Board of Directors is grateful to the Government of India, Reserve Bank of India, various State Governments, SEBI, IRDA and all the regulatory authorities in India and overseas for their valuable guidance, support and cooperation.

The Directors record their sincere gratitude to the Bank's shareholders, esteemed customers and all other well-wishers for their continued patronage. The Directors express their appreciation for the contribution made by every member of the staff in ensuring high level of growth that the Bank has achieved during the year.

The Board also places on record its gratitude to the Shareholders, Bankers, Customers, Suppliers and other stakeholders who have extended their valuable sustained support, co-operation and encouragement.

The Board would also like to thank BSE Limited, National Stock Exchange of India Ltd., National Securities Depository Limited, Central Depository Services (India) Limited, Debenture Trustee, Registrar & Share Transfer Agent, Vendors and Service Providers for their continued support & co-operation.

The Directors wish to express their gratitude to Investment Banks & rating agencies for their wholehearted support. The Directors look forward to their continued contribution in realisation of the corporate goals in the years ahead. We wish to apprise our worthy members who have placed their trust and confidence in the Bank that Capital Small Finance Bank will venture to strive hard to take long strides ahead with freshly instilled energies.

For and on behalf of the Board of Directors

Sd/-
Sarvjit Singh Samra
Managing Director & CEO
DIN: 00477444

Sd/-
Gurpreet Singh Chug
Independent Director
DIN: 01003380

Place: Jalandhar
Date: April 29, 2026

ANNEXURE–A

DETAILS OF REMUNERATION

Statement under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2026

Persons in service for the whole year and drawing emoluments more than ₹1,02,00,000 per annum

Name of the Employee	Mr. Sarvjit Singh Samra	Mr. Munish Jain
Designation	Managing Director & CEO	Executive Director
Remuneration received	₹1.84 crores	₹1.77 crores
Nature of employment, whether contractual or otherwise	Permanent	Permanent
Qualification and Experience of the employee	**Qualification:** B.A., M.B.A. (Marketing and Finance) **Experience:** over 38 years of experience in the banking and financial industry spread over various roles, including senior positions	**Qualification:** B. Com, FCA, FCS **Experience:** over 25 years of experience in the banking sector, including in finance, compliance, treasury, strategic decision making and execution of strategic decisions
Date of commencement of employment	July 20, 2003	October 09, 2000
Age of employee	62 years	50 years
Last employment held by employee before joining the Company	Business	Practising Chartered Accountant
The percentage of equity shares held by the employee along with his spouse and dependent children, if such shareholding is not less than two percent of the total equity shares	Mr. Sarvjit Singh Samra holds 11.19% of the total equity shares of the Bank along with his spouse as at March 31, 2026	Mr. Munish Jain does not hold 2% or more of the paid-up share capital of the Bank as at March 31, 2026
Whether any such employee is a relative of any Director or Manager of the Company and if so, the name of such Director or Manager	Nil	Nil

Notes:

1. Remuneration shown above includes basic salary, allowances, performance bonus and taxable value of perquisites, if availed. The values are calculated basis Income Tax rules, the same exclude gratuity, PF settlement, perquisite on ESOPs & superannuation benefits
2. The remuneration includes deferred incentives of past years paid during the current year.
3. The appointments are terminable by four months' notice to the Bank.
4. The above value does not include the number of ESOPs granted during the year.

For and on behalf of the Board of Directors

Sd/-
Gurpreet Singh Chug
Independent Director
DIN: 01003380

Sd/-
Sarvjit Singh Samra
Managing Director
DIN: 00477444

Date: April 29, 2026
Place: Jalandhar

ANNEXURE–B

DETAILS OF REMUNERATION

I. Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY26, and the ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for FY26 are as under:

S. No.	Name of Director/ KMP	Designation	Remuneration Director/KMP for FY26 (₹ in crores)	Remuneration Director/KMP for FY25 (₹ in crores)	Percentage increase in remuneration in FY26	Percentage increase in remuneration in FY25	Ratio of Remuneration of each Director to median remuneration
1	Mr. Sarvjit Singh Samra	Managing Director and Chief Executive Officer	1.84	1.56	18.56%	8.33%	37.86
2	Mr. Munish Jain	Executive Director	1.77	1.65	7.15%	(5.71%)	36.31
3	Mr. Dinesh Gupta*	Non-Executive Director	0.07	0.20	(62.83)%	0.00%	1.53
4	Mr. Navin Kumar Maini	Independent Director	0.15	0.14	5.25%	16.67%	3.08
5	Mr. Gurpreet Singh Chug	Independent Director	0.09	0.09	-	125.00%	1.85
6	Mr. Sham Singh Bains*	Independent Director	0.06	0.09	(39.44)%	125.00%	1.12
7	Mr. Nageswara Rao Yalamanchili	Independent Director	0.09	0.09	-	0.00%	1.85
8	Ms. Rachna Dikshit	Independent Director	0.09	0.09	-	28.57%	1.85
9	Mr. Kamaldeep Singh Sangha	Independent Director	0.09	0.09	-	28.57%	1.85
10	Mr. Sukhen Pal Babuta	Independent Director	0.09	0.09	-	50.00%	1.85
11	Mr. Bhavdeep Sardana	Non-Executive Non-Independent Director	0.06	-	-	-	1.22
12	Mr. Aseem Mahajan	Chief Financial Officer	0.44	0.32	36.46%	31.49%	9.00
13	Mr. Amit Sharma	Company Secretary	0.28	0.19	37.69%	29.04%	5.50

Notes:

- Salary paid above includes basic salary, allowances, performance bonus and taxable value of perquisites, if availed. The values are calculated basis Income Tax rules; the same excludes gratuity, PF settlement, perquisite on ESOPs & superannuation.
- Mr. Balbir Singh, Nominee Director (Nominee of SIDBI) receives only sitting fee. Mr. Mahesh Parasuraman, Nominee Director (Nominee of Amicus Capital Private Equity I LLP and Amicus Capital Partners India Fund I) has given a waiver for sitting fee.
- The remuneration to Non-Executive Directors is being paid w.e.f. April 01, 2025.
- Further, the Bank has paid Sitting fees to the Directors other than the above-mentioned remuneration for attending the meetings.

* Mr. Dinesh Gupta and Mr. Sham Singh Bains ceased to be the Directors on the Board of the Bank w.e.f. August 14, 2025 and November 08, 2025 respectively.

ANNEXURE–B

II. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

The ratio of the remuneration of each Director to the median remuneration of the employees of the Bank for FY26 is provided in the above table. Median has been calculated by taking remuneration on annualised basis considering the employees as on year-end.

III. The percentage increase in the median remuneration of employees in the Financial Year:

In the financial year, there was an increase of 8.75% in the median remuneration of employees.

IV. The number of permanent employees on the rolls of the Company:

There were 2249 permanent employees on the rolls of the Bank as of March 31, 2026.

V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year, i.e., FY26 was 17.81% whereas there was an increase in the managerial remuneration for the FY26 by 16.04%. The remuneration of the Managing Director and Executive Director is decided based on the individual performances, inflation, prevailing industry trends and benchmarks. For a person being KMP for the current year or part thereof, the consideration paid during the complete financial year has been disclosed.

The remuneration of Non-Executive Directors consists of fixed remuneration and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and SEBI Listing Regulations and such other factors as the NRC may deem fit, among others, were taken into consideration.

VI. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other employees.

VII. Statement showing details of employees of the Company:

Particulars of employee's remuneration, as required under section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this report. Considering the first proviso to Section 136(1) of the Act, the Annual Report, excluding the said information, was sent to the members of the Bank and others entitled thereto. The said information is available for inspection at the registered office of the Bank during working hours up to the date of ensuing Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary at cs@capitalbank.co.in in this regard.

For and on behalf of the Board of Directors

Sd/-
Gurpreet Singh Chug
Independent Director
DIN: 01003380

Sd/-
Sarvjit Singh Samra
Managing Director & CEO
DIN: 00477444

Date: April 29, 2026
Place: Jalandhar

ANNEXURE–C

CORPORATE GOVERNANCE REPORT

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Bank firmly believes that strong corporate governance is the foundation of sustainable growth, stakeholder confidence and long-term value creation.

The Bank aligns its governance practices with the applicable provisions of the Companies Act, 2013 ('Act'), the rules framed thereunder, and the regulations prescribed by the Securities and Exchange Board of India (SEBI), including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable. We continuously review and strengthen our governance practices to ensure compliance with statutory requirements and adoption of emerging best practices.

The Board of Directors provides strategic guidance and effective oversight of management, while upholding the highest standards of ethical behaviour and professional integrity. The Bank has instituted robust internal controls, risk management systems, and compliance mechanisms to safeguard stakeholders' interests and ensure responsible decision-making.

We are committed to maintaining a culture of openness and accountability, ensuring timely and accurate disclosures, and fostering trust among shareholders, employees, customers, business partners, regulators, and the communities in which we operate.

The Bank's philosophy on corporate governance goes beyond mere regulatory compliance. It reflects our deep-rooted belief that sound governance practices are essential to achieving operational excellence, enhancing shareholder value, and sustaining stakeholder confidence over the long term.

The basic principles of corporate governance are accountability, transparency, fairness, responsibility and risk management.

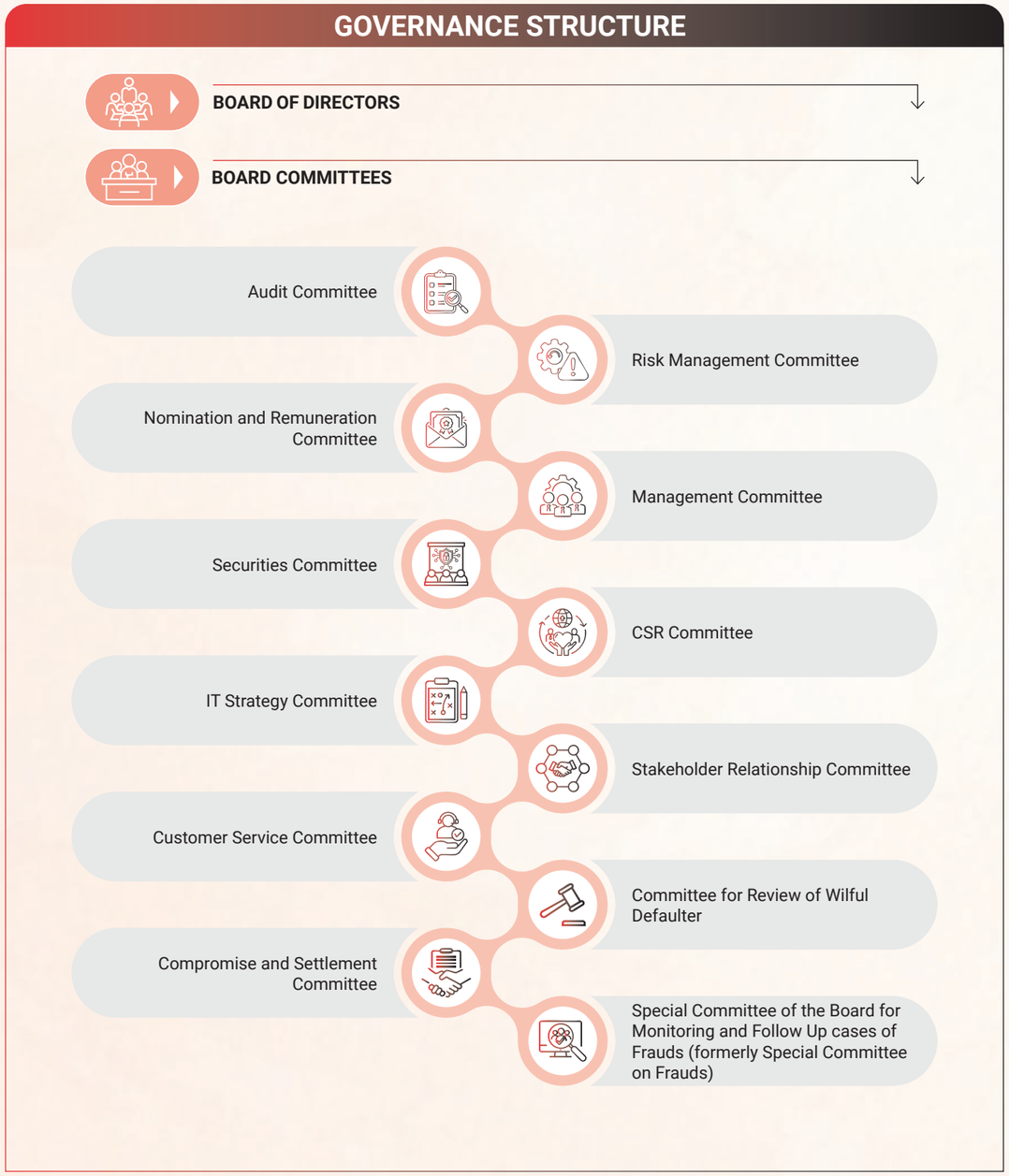
Adopting high standards gives comfort to all existing and potential stakeholders, including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

CORPORATE GOVERNANCE REPORT

GOVERNANCE STRUCTURE:

The Bank has established a robust and transparent governance structure to ensure effective oversight, strategic guidance and accountability at all levels of the organisation. The governance framework is designed in accordance with the provisions of the Act and where applicable, the regulations prescribed by the Securities and Exchange Board of India, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Bank's governance philosophy is executed through a multi-layer governance structure with clearly defined roles and responsibilities for every constituent of the governance system.



CORPORATE GOVERNANCE REPORT

Board of Directors

The Board of Directors is tasked with strategically supervising and overseeing the Bank's management performance and governance on behalf of shareholders and other stakeholders. The Board ensures adherence to corporate governance standards, transparency, integrity in accounting and financial reporting, and the implementation of effective control systems. They exercise independent judgment and have a critical role in monitoring the Bank's operations.

Board Committees:

The Board has constituted various Board committees to deal with specific areas that are assigned to them for either final decision-making or giving appropriate recommendations to the Board. All the committees are responsible for discharging their roles and responsibilities as per its defined charters. The Board meets at regular intervals to review business performance, approve strategic plans, monitor financial reporting, oversee risk management, and ensure compliance with applicable laws and standards of corporate conduct.

Chairman:

The Bank has established separate positions for the Chairman (Part-time Chairman) and the Managing Director to enhance its governance structure. The Chairman presides over the meetings of the Board and the Shareholders. The Chairman acts as the leader of the Board and is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Bank and for its stakeholders.

Managing Director and Chief Executive Officer (MD & CEO):

The Managing Director and Chief Executive Officer (MD & CEO) of the Bank is responsible for steering the Bank's growth by implementing business strategies aligned to the vision and mission of the Bank. He is responsible for substantially the whole of the affairs of the Bank under the supervision and control of the Board of Directors. He is primarily responsible to carry out the strategic plans and policies and acts as an interface between the Board and employees and between the organisation and community. The role and responsibilities of MD & CEO include establishing the Bank's vision and mission, pushing into new areas of innovation and development, ensuring sustainable growth based on healthy customer connect, providing differentiated banking services, building a strong leadership team, ensuring genuine and timely two-way communication with key stakeholders.

Executive Director (ED):

The Executive Director (ED) is responsible for strategic decision-making on the business, geographical expansion and business segments. The role also includes leading corporate planning by active involvement in spotting new business opportunities, as well as leading the entire human resource function. It involves developing and improving efficiency and risk mitigation by establishing clear-cut KRAs and SOPs for effective functioning, while striving to align organisational behaviour with the Bank's vision and mission. The ED also ensures achievement of the business targets, makes best use of the resources to provide customer satisfaction and ensures outreach to the customers with the digital journey of the Bank. He is also entrusted with the responsibility of developing differentiated banking, Capital Raising, Business Plan Formulation, System Designing, Audit and Statutory Requirements, and to lead change and ensure its acceptability across the Bank.

Core Management Team:

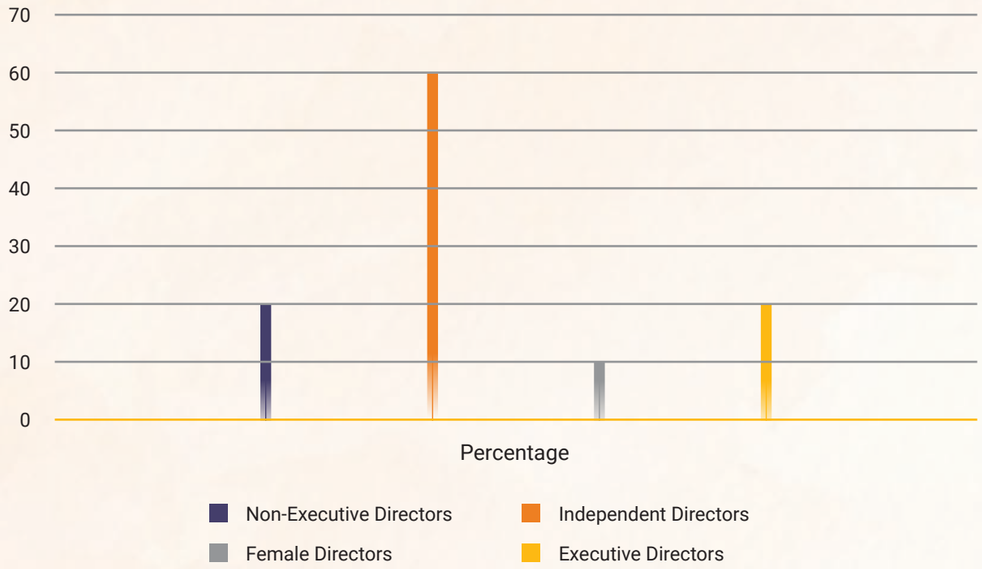
The Core Management team is responsible for setting and delivering the strategic long-term growth agenda for the Bank by creating and delivering best class practices, processes and products. The team drives the growth, ambition, and sustainability initiatives across the organisation.

2. BOARD OF DIRECTORS

A) Board Composition

The composition of the Board is governed by the relevant provisions of the Act and relevant rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Banking Regulation Act, 1949, and the guidelines issued by the Reserve Bank of India.

CORPORATE GOVERNANCE REPORT



As of March 31, 2026, the Board of the Bank comprises ten directors, headed by a Non-Executive Independent Part-time Chairman. The Board consists of two Executive Directors (Managing Director and Executive Director), six Non-Executive Independent Directors (including one woman Director), one Non-Executive Nominee Director and one Non-Executive Non-Independent Director.

During FY26, Mr. Bhavdeep Sardana was appointed as Additional Director w.e.f. August 04, 2025 and further regularised as Non-Executive Non-Independent Director on October 23, 2025, vide Postal Ballot dated August 14, 2025.

Mr. Dinesh Gupta, Non-Executive Director, resigned from the Board w.e.f. close of business hours on August 14, 2025, due to his increased professional commitments in the legal field and his growing involvement in family business. During the year under review, Mr. Dinesh Gupta and persons related to him (Promoter group) of the Bank were re-classified from the 'Promoter/Promoter Group' category to 'Public' category. Further, the Bank has received no-objection from BSE Limited vide its letter No. LIST/COMP/SJ/551/2025-2026 dated November 14, 2025 and from National Stock Exchange of India Limited vide its letter No. NSE/LIST/COMP/CAPITALSFB/520/2025-2026 dated November 14, 2025 for reclassification of outgoing Promoter Group Shareholder as Public Shareholder in accordance with Regulation 31A of the SEBI Listing Regulations.

Mr. Mahesh Parasuraman, Nominee Director representing Amicus Capital Private Equity I LLP & Amicus Capital Partners India Fund I ('Amicus'), resigned from the Board w.e.f. close of business hours on August 14, 2025, due to his increased professional commitments and responsibilities. Amicus, vide its letter dated August 14, 2025, withdrew its nomination from the Board.

During FY26, Mr. Sham Singh Bains, Independent Director, ceased to be a Director from close of business hours on November 08, 2025, upon completion of his tenure (second term of 3 consecutive years) as an Independent Director, as per Section 149 of the Act.

The Board has an appropriate mix of professionals, experience, and knowledge which enables the Board to discharge its responsibilities effectively.

Profiles of the Directors are available on the website of the Bank viz. www.capital.bank.in.

CORPORATE GOVERNANCE REPORT

Directors' Composition and Categorisation

Category of Director	No. of Director(s)	Name of Director	DIN	Promoter/ Promoter Group	Date of First Appointment	Current Tenure till	No. of Shares held on March 31, 2026
Executive Directors	2	Mr. Sarvjit Singh Samra	00477444	✓	May 31, 1999	April 23, 2028	41,96,619
		Mr. Munish Jain	10132430	✗	August 28, 2023	August 27, 2026*	1,85,299
Non-Executive Nominee Director	1	Mr. Balbir Singh	02284941	✗	March 09, 2022	NA	Nil
Non-Executive Non-Independent Director	1	Mr. Bhavdeep Sardana	03516261	✗	August 04, 2025	August 03, 2033	1,28,391
Independent Directors	5	Mr. Navin Kumar Maini[1]	00419921	✗	January 30, 2019	January 29, 2027	Nil
		Mr. Gurpreet Singh Chug	01003380	✗	February 23, 2019	February 22, 2027	31,732
		Mr. Nageswara Rao Yalamanchili	06651230	✗	June 29, 2022	June 28, 2027	Nil
		Mr. Sukhen Pal Babuta	01739016	✗	August 11, 2023	August 10, 2028	Nil
		Mr. Kamaldeep Singh Sangha	08242130	✗	June 26, 2023	June 25, 2028	Nil
		Ms. Rachna Dikshit	08759332	✗	June 26, 2023	June 25, 2028	Nil

No. of Director(s) - 10 Director = 2 | 8 | Yes - ✓ No - ✗

[1] Mr. Navin Kumar Maini is acting as Part-time Chairman of the Bank for a period of three years w.e.f. April 24, 2022, and was further re-appointed as Part-time Chairman of the Bank w.e.f. April 24, 2025, till January 29, 2027.

*The re-appointment of Mr. Munish Jain as Whole-Time Director (designated as Executive Director) for further period of three years w.e.f. August 28, 2026 was approved by Shareholders of the Bank, subject to approval from Reserve Bank of India.

There is no inter-se relationship between the Board members.

Directorship and Committee's Membership of Directors

Name of Director	Number of Directorship(s) Held in Other Indian Public Limited Companies[1]	Directorship in other listed entities			Committee position (Including CSFB)[2]	
		Name of the Listed Entity	Category of Directorship*	Resigned in Last 3 Years	Membership Held	Chairmanship Held
Mr. Navin Kumar Maini	Nil	Nil	-	Nil	1	0
Mr. Gurpreet Singh Chug	Nil	Nil	-	Nil	0	1
Mr. Dinesh Gupta*	-	-	-	-	-	-
Mr. Balbir Singh	Nil	Nil	-	Nil	0	0
Mr. Nageswara Rao Yalamanchili	2	Nil	-	1	0	0
Mr. Munish Jain	Nil	Nil	-	Nil	0	0
Mr. Sarvjit Singh Samra	Nil	Nil	-	Nil	0	0

CORPORATE GOVERNANCE REPORT

Name of Director	Number of Directorship(s) Held in Other Indian Public Limited Companies[1]	Directorship in other listed entities			Committee position (Including CSFB)[2]	
		Name of the Listed Entity	Category of Directorship*	Resigned in Last 3 Years	Membership Held	Chairmanship Held
Mr. Sham Singh Bains*	-	-	-	-	-	-
Mr. Mahesh Parasuraman*	2	-	-	-	-	-
Mr. Kamaldeep Singh Sangha	Nil	Nil	-	Nil	1	1
Ms. Rachna Dikshit	3	2 1 India Shelter Finance Corporation Limited 2. Physicswallah Limited	Non-Executive Independent Director	1	1	1
Mr. Sukhen Pal Babuta	Nil	Nil	-	Nil	1	0
Mr. Bhavdeep Sardana	2	Nil	-	1	1	0

[1]*Excludes directorship in Foreign Companies, Private Limited Companies and Section 8 Company*

[2]*For the purpose of considering the Committee Membership and Chairmanship of a Director, the Audit Committees and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.*

**Mr. Dinesh Gupta and Mr. Mahesh Parasuraman ceased to be Director w.e.f. August 14, 2025 and Mr. Sham Singh Bains ceased to be Director w.e.f. November 08, 2025.*

None of the Directors on the Board is a director in more than seven listed entities. None of the Non-Executive Directors is an Independent Director in more than seven listed entities as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations').

Further, the Managing Director and Executive Director do not serve as Independent Director in any other listed company. None of the Directors held directorships in more than twenty Indian companies, with more than ten public limited companies. All Directors are in compliance with the limit on Directorships/ Independent Directorships of listed companies as prescribed under Regulation 17A of the SEBI Listing Regulations.

None of the Directors on the Board is a member of more than ten committees or chairman of more than five committees (Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director. Necessary disclosures regarding their committee positions have been made by all the Directors.

The Bank has not issued any convertible instruments to the Directors.

B) Chairman of the Board

Mr. Navin Kumar Maini acted as Non-Executive Part-Time Chairman of the Board. The Part-time Chairman presides over the meetings of the Board and of the Shareholders of the Bank.

Independent Directors

The Independent Directors of the Bank have been appointed in terms of the requirements of the SEBI Listing Regulations. They have confirmed that they meet the criteria of independence as defined under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the provision of the Act.

In terms of Regulation 25(8) of the SEBI Listing Regulations and Section 149(7) of the Act, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfil the independence criteria specified in the Act and the SEBI Listing Regulations and that they are independent of the management. All the Independent Directors of the Bank are in compliance with the provisions of Companies (Appointment & Qualification of Directors) Rules, 2014. This includes enrolling their names in the online databank of Independent Directors and qualifying the online proficiency self-assessment test for Independent Directors, as applicable.

Further, no Independent Director has resigned during FY26. However, Mr. Sham Singh Bains ceased to be Director w.e.f. November 08, 2025, due to completion of his second term as Independent Director.

CORPORATE GOVERNANCE REPORT

C) Woman Independent Director

Pursuant to the requirement of Regulation 17(1)(a) of SEBI Listing Regulations, Ms. Rachna Dikshit is a Non-Executive Woman Independent Director on the Board of the Bank.

D) Board Skills and Expertise

The Board of the Bank is composed of appropriately qualified people with a broad range of experience relevant to the business of the Bank, which is important to achieve effective corporate governance and sustained commercial success of the Bank.

All appointments at Board level are made on merit, in the context of skills, experience, independence, knowledge and integrity, which the Board requires to be effective.

The Board of Directors have, based on the recommendations of the Nomination and Remuneration Committee, identified the following key skills/expertise/competencies of Directors as required in the context of business of the Bank for its effective functioning. These are currently possessed by the Board Members of the Bank and mapped against each of the Directors.

Key skills and attributes which are considered while identifying, selecting and nominating the candidate to serve on the Board of the Bank

Expertise Skill of Individual Directors are highlighted below:

Mr. Navin Kumar Maini

Banking

Mr. Sarvjit Singh Samra

Banking, Finance, Cooperation and Marketing

Mr. Munish Jain

Banking, Risk, Accountancy, Finance, Taxation & Audit

Mr. Gurpreet Singh Chug

SSI

Law, Finance & SSI

Mr. Balbir Singh

Banking and Finance

Mr. Nageswara Rao Yalamanchili

Banking, Information Technology and Risk Management

Mr. Kamaldeep Singh Sangha

Cooperation, Banking, Public Administration, Agriculture

Ms. Rachna Dikshit

Banking and Finance

Mr. Sukhen Pal Babuta

Accountancy, Finance, Taxation & Audit

Mr. Bhavdeep Sardana

Agriculture & Rural Economy and Management

CORPORATE GOVERNANCE REPORT

E) Meetings of the Board/Committees

Schedule of the Meetings

The schedule of the meetings of the Board of the Bank to be held during the next fiscal, is finalised and circulated in advance to the Board. However, in case of a special and urgent business need, the Bank convenes meetings physically or through electronic means at shorter notice or place the matter for consideration/ approval through circular resolution.

Agenda of Meetings

The agendas of the Board meetings include matters prescribed by the RBI and other matters required under the provisions of applicable laws. The agendas of the Board and Board Committee meetings are prepared on the basis of the Calendar of Reviews of the respective committee which includes matters prescribed under applicable laws and as per business requirements. The agenda notes are prepared and reviewed by the concerned officials of the respective department in consultation with the Company Secretary.

Procedure

The agendas for the Board and Committee meetings along with the presentations are circulated to the members of the Board/Committee in advance for well-informed decision-making. The members have unrestricted access to all the relevant and required information. Concerned officials are invited to Board and Committee meetings to provide insights related to the items being presented before the Board/ Committee to enhance the depth of discussions and well-informed decision-making.

Post-meeting Action Tracker

Directions given by the Board/Committee are communicated to the relevant official/department for taking necessary action at their end.

Minutes of the Meeting

Pursuant to the requirements of the Secretarial Standard on meetings of the Board of Directors ('SS-1') issued by the Institute of Company Secretaries of India ('ICSI'), the draft minutes are circulated to the members of the Board/Committee within 15 days from the date of the conclusion of the meetings, for their comments. The comments received on the minutes of the Board/Committee are duly incorporated and the minutes are noted in the meeting held after entry of said minutes in the minutes book.

The resolution, if any, passed by circulation is placed at the next meeting of the Board/Committee.

Conduct of Board Proceedings

The Bank follows a structured and transparent process for conducting meetings of the Board of Directors to ensure effective participation, informed decision-making, and proper discharge of fiduciary responsibilities. The Board functions in accordance with the provisions of the Act, the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, and, where applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The day-to-day matters concerning the business are conducted by the executives of the Bank under the direction of the Managing Director and Executive Director with ultimate supervision by the Board. The Bank holds Board meetings at regular intervals. The Directors are informed about the venue, date and time of the meeting in advance in writing at their registered Email IDs. Detailed agenda papers along with explanatory statements are circulated to the Directors in advance. The Board has complete access to all information of the Bank. All information stipulated in the Act and SEBI Listing Regulations, are regularly provided to the Board as part of the agenda papers. Directors actively participate in the Board meetings and contribute significantly by expressing their views, opinions, and suggestions.

Video conferencing facilities are used to facilitate Directors for participation in the meetings. Decisions are taken after proper and thorough discussions. The Board periodically reviews the compliance report of all laws applicable to the Bank.

CORPORATE GOVERNANCE REPORT

F) Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

Eight Board Meetings were held during FY26 and the gap between two consecutive Bo... the Board Meetings.

The Directors' attendance at Board Meetings and Annual General Meeting held during t...

Name of the Director	Attendance at AGM held on August 01, 2025	Attendance at the Board Meeting held on								No. of Board Meetings	
		April 29, 2025	May 31, 2025	July 24, 2025	August 14, 2025	September 18, 2025	October 29, 2025	January 29, 2026	March 31, 2026	Held	Attended
Mr. Sarvjit Singh Samra	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Mr. Munish Jain	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Mr. Dinesh Gupta*	✓	✓	✓	✓	✓	✗	✗	✗	✗	4	4
Mr. Mahesh Parasuraman**	LOA	✓	✓	✓	LOA	✗	✗	✗	✗	4	4
Mr. Balbir Singh	LOA	LOA	LOA	LOA	✓	✓	✓	LOA	✓	8	2
Mr. Navin Kumar Maini	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Mr. Gurpreet Singh Chug	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Mr. Sham Singh Bains***	✓	✓	✓	✓	✓	✓	✓	✗	✗	6	6
Mr. Nageswara Rao Yalamanchili	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Ms. Rachna Dikshit	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Mr. Kamaldeep Singh Sangha	✓	✓	✓	✓	✓	✓	✓	✓	✓	8	8
Mr. Sukhen Pal Babuta	LOA	LOA	LOA	LOA	LOA	✓	✓	✓	✓	8	6
Mr. Bhavdeep Sardana	✗	✗	✗	✗	✓	✓	✓	✓	LOA	5	4

Present (Chairman) = ✓ Present = ✓ Absence = ✗ Not a Member = ✗ Leave of Absence = LOA

Mr. Dinesh Gupta, Non-Executive Director, resigned from the Board w.e.f. close of business hours on August 14, 2025, due to his increased professional commitments in the legal field and his growing involvement in family business.

**Mr. Mahesh Parasuraman, Nominee Director representing Amicus Capital Private Equity I LLP & Amicus Capital Partners India Fund I ("Amicus"), resigned from the Board w.e.f. close of business hours on August 14, 2025 due to his increased professional commitments and responsibilities and Amicus vide its letter dated August 14, 2025, withdrew its nomination from the Board.*

*** Mr. Sham Singh Bains, Independent Director, ceased to be Director from close of business hours on November 08, 2025, upon completion of his tenure (second term of 3 consecutive years) as an Independent Director, as per Section 149 of the Act.*

CORPORATE GOVERNANCE REPORT

G) Independent Directors' Meeting

As per the requirement of the Act and Regulation 25(3) of SEBI Listing Regulations, a meeting of the Independent Directors of the Bank is required to be held at least once a year in the absence of Non-Independent Directors. During FY26, there were two meetings of Independent Directors of the Bank i.e., on December 30, 2025, and March 18, 2026, chaired by Mr. Gurpreet Singh Chug, Non-Executive Independent Director and Mr. Nageswara Rao Yalamanchili, Non-Executive Independent Director respectively. The Independent Directors of the Bank in their meeting held on December 30, 2025 attended by all the Independent Directors, reviewed the performance of Non-Independent Directors, the Board of Directors as a whole, Board Committees and Chairperson of the Bank. They also assessed the quality, quantity and timeliness of flow of information between the Bank's Management and the Board. They have shown their satisfaction on the same.

H) Certificate of Non-disqualification of Directors

As per the requirements of the SEBI Listing Regulations, a certificate was issued by Mr. Bunny Sehgal, Proprietor of M/s. B. Sehgal & Associates, Practising Company Secretaries, confirming that none of the Directors on the Board of the Bank has been debarred or disqualified from being appointed or continuing as Directors of the companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed herewith as **Annexure C.1** and is also available on the website of the Bank at https://www.capital.bank.in/investors/yearly-compliances.

I) Familiarisation Programme for Independent Directors:

Regulation 25(7) of the SEBI Listing Regulations require that Independent Directors should be familiarised with:

i. Nature of the industry in which the Company operates

ii. Business model of the Company

iii. Roles, rights, responsibilities of Independent Directors

iv. Other relevant information

A majority of the Directors of the Bank have been associated with the Bank for more than 3 years and have in-depth understanding of the business model, business processes, and business environment of the Bank. Each Director has special knowledge and practical experience in various areas as required in terms of provisions of Section 10A (2)(a) of the Banking Regulation Act, 1949. Familiarisation of Directors is an ongoing process.

The Independent Directors of the Bank routinely engage in one-on-one discussions with the Senior Management of the Bank on their matters of interest and for a better understanding of the various aspects of the Bank's business and functioning.

During the year, at the Board/Committee meetings, presentations and deep-dive sessions are made covering important areas of the Bank such as annual plans and strategies, compensation strategy, impact of inflation, non-financial risks, customer services framework, risk management, priority sector lending, liquidity, new regulatory guidelines, etc.

During FY26, one such programme was organised and around 16 hours were spent by Independent Directors in such programmes.

The details regarding the familiarisation of directors are provided at the website of the Bank at https://www.capital.bank.in/investors/details-of-familiarization-programmes-imparted-to-independent-directors

CORPORATE GOVERNANCE REPORT

3. BOARD COMMITTEES

Audit Committee

Mr. Gurpreet Singh Chug, Chairperson

The Audit Committee of the Bank is constituted in accordance with the provisions of Regulation 18 of the SEBI Listing Regulations and the provisions of Section 177 of the Act. During the year, the Audit Committee was re-constituted and the present constitution of the Audit Committee is stated hereunder. All members of the Committee are financially literate. Mr. Gurpreet Singh Chug, Chairperson of the Committee, has relevant accounting and financial management expertise. The terms of reference of the Audit Committee are based on the role of the Audit Committee, as mentioned in Section 177 of the Act, Regulation 18 of the SEBI Listing Regulations and as determined by the Board which inter alia includes the following:

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 5**
Mr. Gurpreet Singh Chug	Independent Director		Dates of the Meetings: -
Mr. Dinesh Gupta*	Non-Executive Director		• April 28, 2025
Mr. Sham Singh Bains*	Independent Director		• July 23, 2025
Ms. Rachna Dikshit#	Independent Director		• October 28, 2025
Mr. Kamaldeep Singh Sangha	Independent Director		• January 28, 2026
Mr. Sukhen Pal Babuta	Independent Director		• March 31, 2026

Chairperson = | Member =

**Mr. Dinesh Gupta resigned as Director w.e.f. August 14, 2025 and ceased to be the member of the committee. Mr. Sham Singh Bains ceased to be member of the committee w.e.f. September 18, 2025.*

#Ms. Rachna Dikshit was inducted as member of the committee w.e.f September 18, 2025.

The Company Secretary acts as a Secretary to the Committee.

Brief Terms of Reference and Responsibilities:-

1. The Audit Committee has the powers to investigate any activity, seek information from any employee of the Bank, obtain outside legal or other professional advice; Such powers as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations.
2. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommendation for appointment, replacement, reappointment and approval for remuneration and terms of appointment of statutory auditors of the Bank.
4. Monitoring the end use of funds raised through public offers and related matter.
5. Evaluation of internal financial controls and risk management systems.

CORPORATE GOVERNANCE REPORT

6. Approval or any subsequent modification of transactions of the Bank with related parties.
7. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
8. To review the functioning of the whistle blower mechanism.
9. To review the working of compliance and Vigil Department division.
10. Carrying out any other function as may be required/mandated as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, any directions, circulars, notification issued by the Reserve Bank of India and/or any other applicable laws.

The composition of the Committee, details of meetings held and attendance of the members during FY26 is given hereunder:

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Audit Committee Meeting held on					No. of Meetings	
			April 28, 2025	July 23, 2025	October 28, 2025	January 28, 2026	March 31,2026	Held	Attended
Mr. Gurpreet Singh Chug	Independent Director	Chairperson	✓	✓	✓	✓	✓	5	**5**
Mr. Dinesh Gupta	Non-Executive Director	Member	✓	✓	✗	✗	✗	2	**2**
Mr. Sham Singh Bains	Independent Director	Member	✓	✓	✗	✗	✗	2	**2**
Mr. Kamaldeep Singh Sangha	Independent Director	Member	✓	✓	✓	✓	✓	5	**5**
Mr. Sukhen Pal Babuta	Independent Director	Member	✓	✓	✓	✓	✓	5	**5**
Ms. Rachna Dikshit	Independent Director	Member	✗	✗	✓	✓	✓	3	**3**

Chairperson = ✓ | Member = ✓ | Present = ✓ | Absent = ✗ | Not Member = ✗ | Leave of Absence = LOA

The gap between two consecutive Audit Committee Meetings did not exceed 120 days. Requisite quorum was present at the above-mentioned Meetings. The Audit Committee Meetings are usually attended by the Managing Director, Executive Director, Chief Financial Officer (CFO), and the respective head of the departments, wherever required. The Statutory Auditors and Internal Auditors also attend the Audit Committee Meetings by invitation. During the year, the Audit Committee reviewed key audit findings covering Operational, Financial, and Compliance areas. Risk Mitigation Plan covering key risks affecting the Bank was also presented to the Committee. Mr. Gurpreet Singh Chug, Chairperson of the Audit Committee, was present at the Annual General Meeting (AGM) of the Bank held on August 01, 2025.

Nomination and Remuneration Committee

Mr. Kamaldeep Singh Sangha, Chairperson

The Bank has Nomination and Remuneration Committee (NR Committee) in terms of Section 178 of the Act, Regulation 19 of the SEBI Listing Regulations and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. During the year, the Nomination and Remuneration Committee was re-constituted, and the present constitution of Nomination and Remuneration Committee is stated hereunder.

CORPORATE GOVERNANCE REPORT

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 9**
Mr. Kamaldeep Singh Sangha	Independent Director	Chairperson	Dates of the Meetings: -
Mr. Dinesh Gupta*	Non-Executive Director	Member	• April 25, 2025
Mr. Gurpreet Singh Chug	Independent Director	Member	• May 29, 2025
Mr. Sham Singh Bains*	Independent Director	Member	• July 23, 2025
Mr. Bhavdeep Sardana#	Non-Executive Non-Independent Director	Member	• August 13, 2025
Mr. Nageswara Rao Yalamanchili#	Independent Director	Member	• August 29, 2025 • September 01, 2025 • October 29, 2025 • January 27, 2026 • March 31, 2026

Chairperson = ✓ | Member = ✓

**Mr. Dinesh Gupta resigned as Director w.e.f. August 14, 2025 and ceased to be the member of the committee. Mr. Sham Singh Bains ceased to be members of the committee w.e.f. September 18, 2025.*

#Mr. Bhavdeep Sardana and Mr. Nageswara Rao Yalamanchili were inducted as members of the committee w.e.f September 18, 2025.

The Company Secretary acts as a Secretary to the Committee.

The terms of references of the Committee are in accordance with the Act and SEBI Listing Regulations inter-alia includes:

Brief Terms of Reference and Responsibilities:-

1. To consider 'Fit and proper' criteria for directors at the time of appointment/renewal of appointment of the Bank
2. The consider the remuneration proposed to be paid to Managing Director/Whole Time Director as per Compensation Policy of the Bank and recommendation of same to the Board.
3. Take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
4. To consider to be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Bank and the shareholders.
5. Carrying out any other function as may be required/mandated as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, any directions, circulars, notification issued by the Reserve Bank of India and/or any other applicable laws.

The composition of the Committee, details of meetings held and attendance of the members during FY26 is given hereunder:

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on									No. of Meetings	
			April 25, 2025	May 29, 2025	July 23,2025	August 13, 2025	August 29, 2025	September 01, 2025	October 29, 2025	January 27, 2026	March 31, 2026	Held	Attended
Mr. Kamaldeep Singh Sangha	Independent Director	Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	**9**
Mr. Dinesh Gupta	Non-Executive Director	Member	✓	✓	✓	✓	✗	✗	✗	✗	✗	4	**4**

CORPORATE GOVERNANCE REPORT

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on									No. of Meetings	
			April 25, 2025	May 29, 2025	July 23,2025	August 13, 2025	August 29, 2025	September 01, 2025	October 29, 2025	January 27, 2026	March 31, 2026	Held	Attended
Mr. Gurpreet Singh Chug	Independent Director		✓	✓	✓	✓	✓	✓	✓	✓	✓	9	9
Mr. Sham Singh Bains	Independent Director		✓	✓	✓	✓	✓	✓	✗	✗	✗	6	6
Mr. Nageswara Rao Yalamanchil	Independent Director		✗	✗	✗	✗	✗	✗	✓	✓	✓	3	3
Mr. Bhavdeep Sardana	Non-Executive Non-Independent Director		✗	✗	✗	✗	✗	✗	✓	✓	✓	3	3

Chairperson = | Member = | Present = Absent = | Not Member = | Leave of Absence = LOA

Requisite quorum was present at the above-mentioned Meetings. Mr. Kamaldeep Singh Sangha, Chairperson of the NR Committee, was present at the Annual General Meeting (AGM) of the Bank held on August 01, 2025.

Stakeholders' Relationship Committee

Mr. Kamaldeep Singh Sangha, Chairperson

The constitution and terms of reference of Stakeholders' Relationship Committee ('SRC') are in compliance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. During the year, the Stakeholders' Relationship Committee was re-constituted and the present constitution of Stakeholders' Relationship Committee is stated hereunder.

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	Nature of Directorship	Chairperson/Member	Number of Meetings held - 1
Mr. Kamaldeep Singh Sangha	Independent Director	(till September 18, 2025) (w.e.f. September 18, 2025)	Date of the Meeting: - • March 18, 2026
Mr. Dinesh Gupta*	Non-Executive Director		
Mr. Navin Kumar Maini	Independent Director		
Mr. Sham Singh Bains*	Independent Director		
Mr. Bhavdeep Sardana#	Non-Executive Non-Independent Director		

Chairperson = | Member =

**Mr. Dinesh Gupta ceased to be director w.e.f. August 14, 2025 and also ceased to be the member of committee. Mr. Sham Singh Bains ceased to be member of the committee w.e.f September 18, 2025*

#Mr. Bhavdeep Sardana was inducted as members of the committee w.e.f September 18, 2025 and Mr. Kamaldeep Singh Sangha was inducted as chairperson w.e.f September 18, 2025.

The Company Secretary acts as a Secretary to the Committee.

CORPORATE GOVERNANCE REPORT

Brief Terms of Reference and Responsibilities: -

1. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
2. Review of adherence to the service standards adopted by our Bank in respect of various services being rendered by the Registrar and Share Transfer Agent;
3. Consider and resolve grievances of security holders of our Bank.
4. Review of measures taken for effective exercise of voting rights by shareholders.
5. Review of the various measures and initiatives taken by our Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Bank;
6. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable).

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on	No. of Meetings	
			March 18, 2026	Held	Attended
Mr. Kamaldeep Singh Sangha	Independent Director		✓	1	1
Mr. Navin Kumar Maini	Independent Director		✓	1	1
Mr. Bhavdeep Sardana	Non-Executive Non-Independent Director		✓	1	1

Chairperson = | Member = | Present = Absent = | Not Member = | Leave of Absence = LOA

Corporate Social Responsibility

Mr. Sarvjit Singh Samra, Chairperson

The Bank has a Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act. During the year, the CSR Committee was reconstituted and present members of the Committee are stated hereunder.

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	Nature of Directorship	Chairperson/Member	Number of Meetings held - 5
Mr. Sham Singh Bains*	Independent Director	(till September 18, 2025)	Dates of the Meetings: - • April 25, 2025 • August 13, 2025 • September 18, 2025 • November 03, 2025 • March 25, 2026
Mr. Sarvjit Singh Samra#	Managing Director	(till September 18, 2025) (w.e.f. September 18, 2025)	
Mr. Nageswara Rao Yalamanchili*	Independent Director		
Mr. Sukhen Pal Babuta	Independent Director		

CORPORATE GOVERNANCE REPORT

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 5**
Ms. Rachna Dikshit	Independent Director		
Mr. Bhavdeep Sardana#	Non-Executive Non-Independent Director		

Chairperson = | Member =

**Mr. Nageswara Rao Yalamanchili and Mr. Sham Singh Bains ceased to member of the committee w.e.f September 18, 2025.*

#Mr. Bhavdeep Sardana was inducted as members of the committee w.e.f September 18, 2025 and Mr. Sarvjit Singh Samra was inducted as chairperson of the committee w.e.f September 18, 2025.

The Company Secretary acts as a Secretary to the Committee

Brief Terms of Reference and Responsibilities: -

1. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended.
2. To recommend to the Board of Directors, the amount of expenditure to be incurred on the CSR activities.
3. To monitor the CSR Policy and its implementation by the Bank from time to time.
4. To approve the CSR projects of the Bank.
5. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on					No. of Meetings	
			April 25, 2025	August 13, 2025	September 18, 2025	November 03, 2025	March 25, 2026	Held	Attended
Mr. Sham Singh Bains	Independent Director							3	**3**
Mr. Sarvjit Singh Samra	Managing Director							5	**5**
Mr. Nageswara Rao Yalamanchili	Independent Director							3	**3**
Mr. Sukhen Pal Babuta	Independent Director		LOA	LOA				5	**3**
Mr. Bhavdeep Sardana	Non-Executive Non-Independent Director							2	**2**
Ms. Rachna Dikshit	Independent Director							5	**5**

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

CORPORATE GOVERNANCE REPORT

Management Committee

Mr. Sarvjit Singh Samra, Chairperson

During the year, Management Committee was re-constituted and the present members of the Committee are stated hereunder:

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 4**
Mr. Sarvjit Singh Samra	Managing Director		Dates of the Meetings: -
Mr. Dinesh Gupta*	Non-Executive Director		• April 28, 2025
Mr. Sham Singh Bains*	Independent Director		• July 22, 2025
Mr. Nageswara Rao Yalamanchili*	Independent Director		• October 27, 2025
Ms. Rachna Dikshit	Independent Director		• January 27, 2026
Mr. Bhavdeep Sardana#	Non-Executive Non-Independent Director		
Mr. Sukhen Pal Babuta#	Independent Director		

Chairperson = | Member =

**Mr. Dinesh Gupta resigned as Director w.e.f. August 14, 2025 and ceased to be the member of the committee. Mr. Sham Singh Bains and Mr. Nageswara Rao Yalamanchili ceased to be members of the committee w.e.f. September 18, 2025.*

 # Mr. Bhavdeep Sardana and Mr. Sukhen Pal Babuta were inducted as members of the committee w.e.f. September 18, 2025.

The Company Secretary acts as a Secretary to the Committee

Brief Terms of Reference and Responsibilities: -

1. To consider and review the Financial Statements.
2. To review the performance of the Bank against projections as per Business Plan.
3. To review and approve the business plan.
4. To consider and approve Half yearly budget.
5. To review non-performing borrower accounts.
6. To review the operations/payment channels/issue of debit cards.
7. To review investment portfolio of the bank as well as Investment Exposure Norms.
8. To reviews limits of Money Market Instruments (Call/Term/Notice) Limits as per the RBI guidelines.
9. To approve yearly Investment Strategy, appointment of Investment Officers and approve Securities Broker
10. To review Internal Auditors remarks in Concurrent Audit of Investments.

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on				No. of Meetings	
			April 28, 2025	July 22, 2025	October 27, 2025	January 27, 2026	Held	Attended
Mr. Sarvjit Singh Samra	Managing Director						4	**4**
Mr. Dinesh Gupta	Non-Executive Director			LOA			2	**1**

CORPORATE GOVERNANCE REPORT

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on				No. of Meetings	
			April 28, 2025	July 22, 2025	October 27, 2025	January 27, 2026	Held	Attended
Mr. Sham Singh Bains	Independent Director						2	**2**
Ms. Rachna Dikshit	Independent Director						4	**4**
Mr. Nageswara Rao Yalamanchili	Independent Director						2	**2**
Mr. Bhavdeep Sardana	Non-Executive Non-Independent Director						2	**2**
Mr. Sukhen Pal Babuta	Independent Director						2	**2**

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

Risk Management Committee

Ms. Rachna Dikshit, Chairperson

The Bank has Risk Management Committee in terms of Regulation 27 and part E of Schedule II of SEBI Listing Regulations. During the year, Risk Management Committee was reconstituted and the present members of the Committee are stated hereunder:

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Directors	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 5**
Ms. Rachna Dikshit	Independent Director		Dates of the Meetings: -
Mr. Dinesh Gupta*	Non-Executive Director		• April 28, 2025
Mr. Gurpreet Singh Chug	Independent Director		• July 22, 2025
Mr. Nageswara Rao Yalamanchili	Independent Director		• October 27, 2025
Mr. Kamaldeep Singh Sangha	Independent Director		• January 27, 2026
			• March 31, 2026

Chairperson = | Member =

**Mr. Dinesh Gupta resigned as Director w.e.f. August 14, 2025 and ceased to be the member of the committee.*

The Company Secretary acts as a Secretary to the Committee.

Brief Terms of Reference and Responsibilities: -

1. To review the Credit Risk Management System – Exposure Norms, Concentration of Advances, Credit wise & segment wise classification of Advances, Quality of Loan Portfolio, independent validation of credit rating, risk pricing of assets.
2. To review the Market Risk – present market positions, liquidity risk, interest rate risk and minutes of ALCO, Review and approval of market risk limits.

CORPORATE GOVERNANCE REPORT

3. To review the report on Internal Capital Adequacy Assessment.
4. To review IT risk assessment.
5. To review operation Risk assessment with special attention to KYC, Re KYC, AML aspects.
6. To Review the Risk Management and Asset & Liability Policy.
7. To review the Contingency Plan.
8. To review the Risk Appetite Statement.

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on					No. of Meetings	
			April 28, 2025	July 22, 2025	October 27, 2025	January 27, 2026	March 31, 2026	Held	Attended
Ms. Rachna Dikshit	Independent Director							5	**5**
Mr. Dinesh Gupta	Non-Executive Director			LOA				2	**1**
Mr. Gurpreet Singh Chug	Independent Director							5	**5**
Mr. Nageswara Rao Yalamanchili	Independent Director							5	**5**
Mr. Kamaldeep Singh Sangha	Independent Director							5	**5**

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

IT Strategy Committee

Mr. Nageswara Rao Yalamanchili, Chairperson

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 5**
Mr. Nageswara Rao Yalamanchili	Independent Director		Dates of the Meetings: -
Mr. Gurpreet Singh Chug	Independent Director		• May 14, 2025
Mr. Sarvjit Singh Samra	Managing Director		• June 23, 2025
Mr. Munish Jain	Executive Director		• September 16, 2025
Mr. Harvinder Singh	CIO		• December 19, 2025
Mr. Vimal Kumar Kamal	CISO		• March 19, 2026

Chairperson = | Member = | Executive Member =

The Company Secretary acts as a Secretary to the Committee.

CORPORATE GOVERNANCE REPORT

Brief Terms of Reference and Responsibilities: -

1. Perform oversight functions over the IT Steering Committee (at a senior management level).
2. Investigate activities within this scope.
3. Seek information from any employee.
4. Obtain outside legal or professional advice.
5. Secure attendance of outsiders with relevant expertise, if it considers necessary.
6. Work in partnership with other Board committees and Senior Management to provide input, review and amend the aligned corporate and IT strategies.

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on					No. of Meetings	
			May 14, 2025	June 23, 2025	September 16, 2025	December 19, 2025	March 19, 2026	Held	Attended
Mr. Nageswara Rao Yalamanchili	Independent Director							5	5
Mr. Gurpreet Singh Chug	Independent Director							5	5
Mr. Sarvjit Singh Samra	Managing Director						LOA	5	4
Mr. Munish Jain	Executive Director							5	5
Mr. Harvinder Singh	Employee (CIO)						LOA	5	4
Mr. Vimal Kumar Kamal	Employee (CISO)							5	5

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

Customer Service Committee

Mr. Bhavdeep Sardana, Chairperson

During the year, the Customer Service Committee was re-constituted and the present members of the Committee are stated hereunder:

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings Held - 4**
Mr. Sarvjit Singh Samra#	Managing Director	(till September 18, 2025)	Dates of the Meetings: -
		(w.e.f. September 18, 2025)	• June 05, 2025 • September 17, 2025 • November 26, 2025 • March 06, 2026
Mr. Sham Singh Bains*	Independent Director		
Ms. Rachna Dikshit	Independent Director		

CORPORATE GOVERNANCE REPORT

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings Held - 4**
Mr. Nageswara Rao Yalamanchili*	Independent Director		
Mr. Bhavdeep Sardana##	Non-Executive Non-Independent Director	(w.e.f. September 18, 2025)	
Mr. Sukhen Pal Babuta###	Independent Director		

Chairperson = | Member =

**Mr. Sham Singh Bains and Mr. Nageswara Rao Yalamanchili ceased to be member of the committee w.e.f. September 18, 2025.*

#Mr. Sarvjit Singh Samra acted as Chairperson of committee till September 18, 2025, and thereafter as member.

##Mr. Bhavdeep Sardana inducted as Chairperson of the committee w.e.f. September 18, 2025.

###Mr. Sukhen Pal Babuta was inducted as member w.e.f. September 18, 2025.

The Company Secretary acts as a Secretary to the Committee

Brief Terms of Reference and Responsibilities: -

1. Formulate and annual review of Deposit Policy, Customer Service related policies and Grievance Redressal related policies
2. Review the implementation status of the RBI instructions issued during the period on Customer Service aspect
3. Oversee the tri-enniel audit of customer related services aspect (including review of the report)
4. Review customer complaints data
5. Annual review of detailed analysis on customer complaints (including nature, time taken, compliance with TAT etc.)
6. Review the process and status for settlement of deceased cases
7. Review the product approval process, with the view on suitability and appropriateness for the customers
8. Approve and review annual depositor/customer satisfaction surveys and their outcome
9. Review the performance, suggestions and/or report submitted by Standing Committee on Customer Service, inter alia, the areas reviewed, procedures/practices identified and simplified/introduced etc.
10. Review report submitted by Internal Ombudsman ('IO') and review the performance of IO
11. Take note of the awards given by the Banking Ombudsman, and address issues of systemic deficiencies existing in banks, if any, brought out by the awards
12. Review status on recommendations of various committees on customer services aspect including Report on Ghosh and Jilani committee, Goiporia Committee etc.
13. Review the accessibility of branches/ATM to persons with disability and services provided to senior citizens with reference to the Bank charter
14. Submit a detailed memorandum/report on customer service aspect to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality/skill gaps have been noticed
15. Review all the awards remaining unimplemented for more than three months with the reasons thereof, to enable to report the Board such delays in implementation without valid reasons and for initiating necessary remedial action; and
16. Examine issues having bearing on the quality of customer service rendered or any other matter related to Customer Service.
17. Review the progress in reduction of Inoperative/Frozen Accounts and the special efforts made by the Bank in this regard.
18. Quarterly Status Report to review the awareness initiatives taken by the Bank in respect to enhance customer awareness on extant guidelines, Grievances redress mechanism, Safe Banking Practices etc.
19. Quarterly review the status and progress for Door Step Banking services provided to customer.

CORPORATE GOVERNANCE REPORT

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on				No. of Meetings	
			June 05, 2025	September 17, 2025	November 26, 2025	March 06, 2026	Held	Attended
Mr. Sarvjit Singh Samra	Managing Director						4	**4**
Mr. Sham Singh Bains	Independent Director						2	**2**
Ms. Rachna Dikshit	Independent Director				LOA	LOA	4	**2**
Mr. Nageswara Rao Yalamanchili	Independent Director						2	**2**
Mr. Bhavdeep Sardana	Non-Executive Non-Independent Director						2	**2**
Mr. Sukhen Pal Babuta	Independent Director						2	**2**

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

Securities Committee

Mr. Nageswara Rao Yalamanchili, Chairperson

During the year, the Securities Committee was re-constituted and the present members of the Committee are stated hereunder:

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 4**
Mr. Dinesh Gupta*	Non-Executive Director	(till August 14, 2025)	Dates of the Meetings: -
Mr. Gurpreet Singh Chug**	Independent Director		• **June 30, 2025**
Mr. Sham Singh Bains**	Independent Director		• **August 29, 2025**
Mr. Nageswara Rao Yalamanchili	Independent Director	(till September 18, 2025) (w.e.f. September 18, 2025)	• **December 05, 2025** • **January 28, 2026**
Mr. Bhavdeep Sardana#	Non-Executive Non-Independent Director		
Mr. Kamaldeep Singh Sangha#	Independent Director		
Mr. Sukhen Pal Babuta#	Independent Director		

Chairperson = | Member =

**Mr. Dinesh Gupta resigned as Director w.e.f. August 14, 2025 and ceased to be the member of committee.*

***Mr. Gurpreet Singh Chug and Mr. Sham Singh Bains ceased to be members of the committee w.e.f September 18, 2025.*

CORPORATE GOVERNANCE REPORT

#Mr. Bhavdeep Sardana, Mr. Kamaldeep Singh Sangha and Mr. Sukhen Pal Babuta were inducted as member of the committee w.e.f. September 18, 2025.

The Company Secretary acts as a Secretary to the Committee.

Brief Terms of Reference and Responsibilities: -

1. To consider and approve the share/bond transfers lodged by the members with the Bank.
2. To verify the compliance of RBI and other legal regulations for allotment of securities.
3. To consider manner, holding and other credentials of holder of securities.
4. To consider the basis of allotment of securities as per authorisation of the Board and all other aspects with regard to the issue.

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on				No. of Meetings	
			June 30, 2025	August 29, 2025	December 05, 2025	January 28, 2026	Held	Attended
Mr. Dinesh Gupta	Non-Executive Director						1	**1**
Mr. Gurpreet Singh Chug	Independent Director						2	**2**
Mr. Sham Singh Bains	Independent Director						2	**2**
Mr. Nageswara Rao Yalamanchili	Independent Director	(w.e.f.September 18, 2025)					4	**4**
Mr. Sukhen Pal Babuta	Independent Director					LOA	2	**1**
Mr. Kamaldeep Singh Sangha	Independent Director						2	**2**
Mr. Bhavdeep Sardana	Non-Executive Non-Independent Director						2	**2**

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

Special Committee of the Board for Monitoring and Follow up Cases of Frauds

Mr. Navin Kumar Maini, Chairperson

During the year, Special Committee of the Board for monitoring and follow-up cases of frauds was re-constituted and the present members of the committee are stated hereunder:

Composition as of March 31, 2026			
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meeting held – 1**
Mr. Navin Kumar Maini	Independent Director		Date of the Meeting: -
Mr. Sarvjit Singh Samra*	Managing Director		• **March 31, 2026**
Mr. Kamaldeep Singh Sangha	Independent Director		
Mr. Gurpreet Singh Chug	Independent Director		
Mr. Sukhen Pal Babuta#	Independent Director		

Chairperson = | Member =

**Mr. Sarvjit Singh Samra ceased to be member of the committee w.e.f. September 18, 2025.*

#Mr. Sukhen Pal Babuta was inducted as member of the committee w.e.f. September 18, 2025.

The Company Secretary acts as a Secretary to the Committee.

CORPORATE GOVERNANCE REPORT

Brief Terms of Reference and Responsibilities: -

To monitor and review all frauds of ₹1 crores and above so as to:

1. To Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same.
2. To Identify the reasons for delay in detection, if any, reporting to top management of the bank and RBI
3. To Monitor progress CBI/Police investigation and recovery position.
4. To consider to ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
5. To review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls.
6. To consider to put on place other measures as may be considered relevant to strengthen preventive measures against the frauds.

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on	No. of Meeting	
			March 31, 2026	Held	Attended
Mr. Navin Kumar Maini	Independent Director			1	**1**
Mr. Kamaldeep Singh Sangha	Independent Director			1	**1**
Mr. Gurpreet Singh Chug	Independent Director			1	**1**
Mr. Sukhen Pal Babuta	Independent Director			1	**1**

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

Committee for Review of Wilful Defaulter

Mr. Sarvjit Singh Samra, Chairperson

During the year, the Committee for Review of Wilful Defaulter was re-constituted and the present members of the Committee are stated hereunder:

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 3**
Mr. Sarvjit Singh Samra	Managing Director	(till September 18, 2025 and again appointed as Chairperson on March 31, 2026) (from September 18, 2025, to March 31, 2026)	Dates of the Meetings: - • **April 25, 2025** • **June 06, 2025** • **March 07, 2026**
Mr. Dinesh Gupta*	Non-Executive Non-Independent Director		
Mr. Gurpreet Singh Chug	Independent Director		

CORPORATE GOVERNANCE REPORT

Composition as of March 31, 2026			Number and Dates of Meetings held during FY26
Name of the Director	**Nature of Directorship**	**Chairperson/Member**	**Number of Meetings held - 3**
Ms. Rachna Dikshit#	Independent Director	(from September 18, 2025, to March 31, 2026)	
Mr. Nageswara Rao Yalamanchili#	Independent Director		

Chairperson = | Member =

**Mr. Dinesh Gupta resigned as Director w.e.f. August 14, 2025 and ceased to be the member of the committee.*

#Ms. Rachna Dikshit was inducted as Chairperson (till March 31, 2026) and then continued as member. On March 31, 2026, Mr. Sarvjit Singh Samra becomes the Chairperson of the Committee. Mr. Nageswara Rao Yalamanchili were inducted as member of the committee w.e.f. September 18, 2025.

The Company Secretary acts as a Secretary to the Committee

Brief Terms of Reference and Responsibilities: -

The Reserve Bank of India vide its Master Circular no. DBR.No.CID.BC.22/20.16.003/2015-16 dated July 1, 2015 **"Master Circular on Wilful Defaulters"** directed the Banks to put in place a system to disseminate credit information pertaining to wilful defaulters for cautioning banks and financial institutions so as to ensure that further bank finance is not made available to them.

Name of the Director	Category of the Director	Position held in the Committee	Attendance at the Meeting held on			No. of Meetings	
			April 25, 2025	June 06, 2025	March 07, 2026	Held	Attended
Mr. Sarvjit Singh Samra	Managing Director				*	3	**3**
Mr. Dinesh Gupta	Non-Executive Non-Independent Director					2	**2**
Mr. Gurpreet Singh Chug	Independent Director					3	**3**
Ms. Rachna Dikshit	Independent Director				*	1	**1**
Mr. Nageswara Rao Yalamanchili	Independent Director					1	**1**

Chairperson = | Member = | Present = | Absent = | Not Member = | Leave of Absence = LOA

**Ms. Rachna Dikshit attended the meeting held on March 07, 2026 as the Chairperson and Mr. Sarvjit Singh Samra as a Member.*

Compromise and Settlement Committee

Mr. Nageswara Rao Yalamanchili, Chairperson

Composition as of March 31, 2026		
Name	**Nature of Directorship**	**Chairperson/Member**
Mr. Nageswara Rao Yalamanchili	Independent Director	
Ms. Rachna Dikshit	Independent Director	

CORPORATE GOVERNANCE REPORT

Composition as of March 31, 2026		
Name	**Nature of Directorship**	**Chairperson/Member**
Mr. Gurpreet Singh Chug	Independent Director	
Mr. Aseem Mahajan	Chief Financial Officer	
Mr. Rohit Kapoor	Deputy HOD Monitoring	
Mr. Varinder Shoor	Regional BH-2	

Chairperson = | Member = | Executive Member =

Brief Terms of Reference and Responsibilities:

To review the compromise and settlement cases.

No meeting for Compromise and Settlement Committee was held during the year under review.

4. PERFORMANCE EVALUATION

The Nomination and Remuneration Committee and the Board has approved the evaluation process. This process is used to evaluate the performance of the Board and Committees as a whole and of Individual Directors. A separate meeting of Independent Directors was held on December 30, 2025, which carried out the annual evaluation of the performance of Non-Executive Non-Independent Directors, Executive Directors, Chairperson, Board as a whole, and Board Committees. Further, the Board of Directors in its meeting held on January 29, 2026, also conducted an annual evaluation of performance of the Board as a whole, Board Committees, Chairperson, Managing Director, Executive Directors, Non-Executive Independent Directors, Non-Executive Directors, and expressed its satisfaction. The performance of the Board and Board's Committees were evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of Individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, responsibility towards stakeholders and independent judgement. They were also evaluated at additional parameters such as external expertise, devotion of sufficient time and strategic guidance to the Bank, among others. The performance of the Chairperson of the Bank, Managing Director and Executive Director was also evaluated at the additional parameters.

5. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Following are the SMPs of the Bank as of March 31, 2026:

Name	Designation
Mr. Sarvjit Singh Samra	Managing Director & CEO
Mr. Munish Jain	Executive Director
Mr. Aseem Mahajan	Chief Financial Officer
Mr. Amit Sharma	Company Secretary and Compliance Officer
Mr. Santosh Kumar Dhawan	Head of Credit
Mr. Raghav Aggarwal	Chief Risk Officer
Ms. Richa Mahajan	Chief Compliance Officer

CORPORATE GOVERNANCE REPORT

6. REMUNERATION TO DIRECTORS

a) **Executive Directors:** The Executive Directors are eligible for remuneration, as approved by the shareholders of the Bank on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors. The office of Executive Directors may be terminated by the Bank or by them, by giving prior notice in writing as per the policy of the Bank. No severance fees are payable to the Executive Directors.

b) **Non-Executive/Independent Directors:** The Non-Executive/Independent Directors of the Bank receive remuneration by way of sitting fees for attending the meeting of the Board of Directors and/or Committees thereof, as approved by the Board. The profit-linked commission may be paid within the monetary limit approved by the shareholders of the Bank as a percentage of the net profits of the Bank computed as per the applicable provisions of the Act, and rules framed thereunder. Independent Directors shall not be entitled for any share-based employee benefit.

Details of remuneration, sitting fees, etc. paid to Directors for the year ended March 31, 2026, is as under:

a. Remuneration to Non-Executive Directors

(Amount in ₹)

S. No.	Name of the Director	Salary	Sitting fees	Profit related Commission	Total Remuneration	Percentage
1	Mr. Sham Singh Bains	5,45,000	3,20,000	-	8,65,000	7.74
2	Mr. Balbir Singh	-	60,000	-	60,000	0.54
3	Mr. Dinesh Gupta	7,43,379	2,30,000	-	9,73,379	8.71
4	Mr. Gurpreet Singh Chug	9,00,000	5,40,000	-	14,40,000	12.88
5	Mr. Navin Kumar Maini	15,00,000	2,60,000	-	17,60,000	15.74
6	Mr. Nageswara Rao Yalamanchili	9,00,000	5,20,000	-	14,20,000	12.70
7	Ms. Rachna Dikshit	9,00,000	3,90,000	-	12,90,000	11.54
8	Mr. Kamaldeep Singh Sangha	9,00,000	4,70,000	-	13,70,000	12.25
9	Mr. Sukhen Pal Babuta	9,00,000	2,90,000	-	11,90,000	10.64
10	Mr. Mahesh Parasuraman	-	-	-	-	-
11	Mr. Bhavdeep Sardana	5,92,742	2,20,000		8,12,742	7.27
		78,81,121	**33,00,000**	**-**	**1,11,81,121**	**100.00**

Note: During the Financial Year, none of the Non-Executive Directors have any pecuniary relationship or transaction with the Bank apart from receiving sitting fee and Compensation as applicable.

b. Remuneration to Executive Directors

Based on recommendations from the Nomination and Remuneration Committee, the Board of the Bank approves remuneration for Executive Directors. This approval is subject to shareholder and regulatory approvals, such as those from the RBI where applicable. The terms of appointment are governed by the employment agreements between the Bank and the Executive Directors.

The remuneration details of Executive Directors viz. Mr. Sarvjit Singh Samra, MD & CEO and Mr. Munish Jain, Whole-time Director (designated as Executive Director) of the Bank is as per the terms of approval of RBI is given below:

(₹ in crores)

Name	Fixed Pay for FY26 (including perquisites)	Variable Pay of Previous Years paid during FY26
Mr. Sarvjit Singh Samra, Managing Director & CEO	1.49	0.36
Mr. Munish Jain, Executive Director (WTD)	1.43	0.34

1. The Remuneration shown above includes basic salary, allowances, performance bonus and taxable value of perquisites, if availed. The values are calculated based on Income Tax rules, the same excludes gratuity, PF settlement, perquisite on ESOPs and superannuation benefits.
2. RBI vide its letter dated October 10, 2025 approved the fixed pay for FY26 payable to Mr. Sarvjit Singh Samra and Mr. Munish Jain respectively.

CORPORATE GOVERNANCE REPORT

GENERAL BODY MEETINGS

a. Details of last three Annual General Meetings (AGM):

August 01, 2025	11:00 A.M.	Through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM')	TO APPROVE THE REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER WITH EFFECT FROM APRIL 01, 2025 TO APPROVE THE REMUNERATION OF MR. MUNISH JAIN (DIN: 10132430), WHOLE TIME DIRECTOR DESIGNATED AS EXECUTIVE DIRECTOR WITH EFFECT FROM APRIL 01, 2025
26th Annual General Meeting			
August 30, 2024	11:00 A.M.	Through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM')	TO APPROVE THE REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER FROM APRIL 01, 2024 to APRIL 23, 2025 TO APPROVE THE REMUNERATION OF MR. MUNISH JAIN (DIN: 10132430), EXECUTIVE DIRECTOR FROM APRIL 01, 2024 TO AUGUST 27, 2026 RATIFICATION OF CSFB LIMITED - EMPLOYEE STOCK OPTION PLAN FOR MATERIAL RISK TAKERS
25th Annual General Meeting			
August 11, 2023	11:00 A.M.	Through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM')	TO APPROVE THE REVISED REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CEO FOR THE PERIOD COMMENCING FROM APRIL 24, 2022 TILL APRIL 23, 2023 TO APPROVE THE UPDATED REMUNERATION OF MR. SARVJIT SINGH SAMRA (DIN: 00477444), MANAGING DIRECTOR & CEO FOR FINANCIAL YEAR FY24 ONWARDS
24th Annual General Meeting			

Date | Time (IST) | Venue | Special Resolution passed

CORPORATE GOVERNANCE REPORT

b. Postal Ballot

In accordance with MCA General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020, along with subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 followed by 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as 'MCA Circulars'), and other applicable rules, regulations, guidelines, circulars, notifications [including any statutory modification(s), amendment(s) thereto or re-enactment(s) thereof for the time being in force], the resolution was proposed to be passed by means of Postal Ballot, only by way of remote e-voting process ('e-voting'). The Bank had engaged the services of MUFG Intime India Pvt. Ltd. (formerly known as Link Intime India Private Limited) ('Registrar and Transfer Agent' or 'RTA') as the agency to provide e-voting facility.

Mr. Bunny Sehgal of M/s. B. Sehgal and Associates, Company Secretaries, Jaipur (Membership No. F11407 & CP No. 15161), acted as scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

(I) Postal Ballot dated August 14, 2025

In accordance with the MCA Circulars, the Postal Ballot Notice dated August 14, 2025 was sent only by electronic mode to those members whose names appeared in the Register of Members/List of Beneficial Owners as of Friday, September 19, 2025 ('Cut-Off Date'), received from the depositories and whose Email addresses were registered with the Bank/Depositories. Instructions for voting by (i) Individual shareholders holding shares of the Company in demat mode, (ii) Shareholders other than individuals holding shares of the Bank in demat mode, (iii) Shareholders holding shares of the Bank in physical mode, and (iv) Shareholders who have not registered their Email address, were explained in the Postal Ballot Notice.

Members exercised their vote(s) by e-voting during the period from 09:00 a.m. on Wednesday, September 24, 2025, till 05:00 p.m. on Thursday, October 23, 2025.

The scrutiniser submitted his report on October 24, 2025, after the completion of scrutiny and result of the e-voting was announced on the same day. The summary of voting result is given below

1. To approve the appointment of Mr. Bhavdeep Sardana (DIN: 03516261) as a Non-Executive Non-Independent Director on the Board of the Bank w.e.f. August 04, 2025, by way of ordinary resolution:

Particulars	% of total votes	Result
Votes in favour of the resolution	99.964%	Passed with requisite majority
Votes against the resolution	0.036%	

The aforesaid resolution was passed with requisite majority on October 23, 2025. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Bank.

(II) Postal Ballot dated January 29, 2026

In accordance with the MCA Circulars, the Postal Ballot Notice dated January 29, 2026 was sent only by electronic mode to those members whose names appeared in the Register of Members/List of Beneficial Owners as of Friday, February 20, 2026 ('Cut-Off Date') received from the depositories and whose Email addresses were registered with the Bank/Depositories. Instructions for voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) Shareholders other than individuals holding shares of the Bank in demat mode, (iii) Shareholders holding shares of the Bank in physical mode, and (iv) Shareholders who have not registered their Email address, were explained in the Postal Ballot Notice.

Members exercised their vote(s) by e-voting during the period from 09:00 a.m. on Tuesday, February 24, 2026, till 05:00 p.m. on Wednesday, March 25, 2026.

CORPORATE GOVERNANCE REPORT

The scrutiniser submitted his report on March 26, 2026, after the completion of scrutiny. The result of the e-voting was announced on the same day. The summary of voting result is given below:

1. To approve the revision in the remuneration of Mr. Munish Jain (DIN: 10132430), Whole-time Director designated as Executive Director w.e.f. April 01, 2025, by way of ordinary resolution:

Particulars	% of total votes	Result
Votes in favour of the resolution	99.971	Passed with requisite majority
Votes against the resolution	0.029	

2. To approve re-appointment of Mr. Munish Jain (DIN: 10132430) as Whole-time Director designated as Executive Director w.e.f. August 28, 2026, by way of ordinary resolution:

Particulars	% of total votes	Result
Votes in favour of the resolution	99.971	Passed with requisite majority
Votes against the resolution	0.029	

3. To approve payment of remuneration to Mr. Shahbaz Singh Samra, a related party, and his holding of the office or place of profit, by way of an ordinary resolution:

Particulars	% of total votes	Result
Votes in favour of the resolution	99.589	Passed with requisite majority
Votes against the resolution	0.411	

The aforesaid resolutions were passed with requisite majority on March 25, 2026. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Bank.

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance with the provisions of the Act, the SEBI Listing Regulations or any other applicable laws.

Means of Communication

I. Annual Report containing Financial Statements, Board's Report, Management Discussion and Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it through permitted mode.

II. Financial results are published in leading local and national newspapers i.e. Nawan Zamana and Business Standard.

III. All important information relating to the Bank and its performance, including the financial results, shareholding pattern, corporate governance report, etc. are displayed on the Bank's website www.capital.bank.in. The website also displays all official Press Releases issued by the Bank, if any. Apart from statutory financial results communication, the Bank also communicates financial performance information through various leading newspapers (including Economic Times, Mint, Hindustan Times) and Emails to all the stakeholders.

IV. The Bank disseminates all price sensitive information into the public domain by way of intimating the same to stock exchanges, i.e. BSE Limited and National Stock Exchange of India Limited immediately. The same is also displayed on the Bank's website.

V. SMS were sent to shareholders for details relating to e-voting for General Meetings/Postal Ballot during the year.

VI. The Bank sends various communication such as notice calling general meeting/postal ballot notice, financial results, annual report, tax deduction at source intimation, credit of dividend intimation to the Email IDs of the shareholders registered with the depositories.

VII. All periodical and other event-based compliance filings of the Bank are filed electronically on this web-based portal of BSE Limited and National Stock Exchange of India Limited.

VIII. Bank's RTA viz. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) through its platform 'SWAYAM', facilitates investors to access information through a dashboard and avail various services in digital mode. The same can be accessed at https://swayam.in.mpms.mufg.com/

IX. In case of any query, shareholders may write to the Company Secretary at cs@capitalbank.co.in.

CORPORATE GOVERNANCE REPORT

X. The Bank has made quarterly/event-based presentations to investors and analysts. Detailed presentations are published for the Bank's quarterly, half-yearly as well as annual financial results. The Bank also arranges quarterly earnings conference calls for market participants. These presentations, audio recordings, video recordings (if any) and transcripts of the earning call are available on the website of the Bank and are also intimated to the stock exchanges within the prescribed timelines.

XI. The Bank has designated the Email ID investorrelations@capitalbank.co.in exclusively for investor servicing and to resolve investor grievances. The same is displayed on the Bank's website.

Compliances

There were no instances of non-compliance by the Bank on any matter related to capital markets during the last three years except as stated below:

In FY'24, the Bank was listed on Stock Exchange on February 14, 2024. Consequently, the Financial Results for the Quarter and Nine Months ended December 31, 2023 were approved by the Board of Directors on February 27, 2024 and subsequently submitted to BSE Limited on the same date, thus resulting a delay of 13 days, for which a penalty of ₹76,700 (Rupees. Seventy Six Thousand Seven Hundred only) was imposed by BSE Limited and the same has been deposited by the Bank in compliance with SEBI Listing Regulations.

No penalty has been imposed on the Bank by the Registrar of Companies, Reserve Bank of India, Stock Exchanges or SEBI or any other statutory authority during FY26.

General Shareholder Information

The Bank is registered with the Registrar of Companies, Punjab & Chandigarh. The present Corporate Identity Number (CIN) of the Company as allotted by the Ministry of Corporate Affairs is **L65110PB1999PLC022634**.

Annual General Meeting of the Bank	27th Annual General Meeting
Date, Time, Venue	Date and Time: Thursday, June 25, 2026, at 04:00 P.M (IST) By Video Conferencing/other Audio Visual Means ('VC/OAVM'). The registered office of the Bank i.e. MIDAS Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar 144001 Punjab, shall be deemed to be the venue of the meeting
Financial Year	The Bank follows April to March as its financial year. The next financial year will be from April 01, 2026, to March 31, 2027
Record Date for Payment of Dividend	Thursday, June18, 2026
Dividend Payment Date	Within 30 days from the date of declaration at 27th AGM
Names and Addresses of the Stock Exchange where Equity Shares of the Bank are Listed	**BSE Limited** Listing Compliance, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Maharashtra **National Stock Exchange of India Limited** The Listing Department, Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 051 Maharashtra No securities were suspended for trading on any of the exchanges i.e. BSE Limited and National Stock Exchange of India Limited during FY26
Listing Fee to Stock Exchanges	The Bank has paid listing fee in respect of FY27 to BSE Limited and National Stock Exchange of India Limited
ISIN	INE646H01017
Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion Date and likely Impact on Equity	The Bank has no outstanding GDR/ADR/warrants as of March 31, 2026

CORPORATE GOVERNANCE REPORT

Listing of Debt Securities of the Bank

Pursuant to exercise the call option by the Bank, the following debt securities of the Bank in the form of Upper Tier–II Bonds, which were listed on BSE Limited, were redeemed during the year under review. The credit rating details are stated hereunder:

NCD Series	Coupon Rate	ISIN	Previous Rating by Brickwork Ratings India Private Limited on April 09, 2025	Current Rating by Brickwork Ratings India Private Limited on April 06, 2026	Previous Rating by Care Ratings Limited on March 07, 2025	Current Rating by Care Ratings Limited on February 27, 2026
Unsecured Redeemable Non-convertible (Upper Tier II), Basel I Compliant Bonds 2014–15 (Series XI)	11.75%	INE646H08012	BWR A Plus Outlook: (Stable) (Reaffirmed)	Withdrawn due to early redemption	CARE A Minus; Outlook: (Stable) (Reaffirmed)	CARE A Minus; Outlook: (Stable) (Reaffirmed)
Unsecured Redeemable Non-convertible (Upper Tier II), Basel I Compliant Bonds 2015–16 (Series XIII)	11.75%	INE646H08020	BWR A Plus (Outlook: Stable) (Reaffirmed)	Withdrawn due to early redemption	CARE A Minus; Outlook: (Stable) (Reaffirmed)	CARE A Minus; Outlook: (Stable) (Reaffirmed)

Name and Addresses of Debenture Trustee

Name: IDBI Trusteeship Services Limited
Address: Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001
Email: itsl@idbitrustee.co.in
Tel No. +91-22-40807000

Registrar and Share Transfer Agent (RTA)

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
C- 101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West) Mumbai – 400083
Tel No. +91 810 811 4949
Email: advit.shetty@in.mpms.mufg.com

Dematerialisation of Shares and Liquidity (as of March 31, 2026)

The Bank's shares are traded compulsorily in electronic form. The Bank has established connectivity with both the depositories in India–NSDL and CDSL. The requisite fees were duly paid to the depositories. The Bank has also appointed MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) as the registrar and share transfer agent to provide electronic connectivity interface with NSDL and CDSL for securities of the Bank.

Particulars	No. of Shares	Percentage
Dematerialised Form–NSDL	3,38,35,697	74.50%
Dematerialised Form–CDSL	60,13,558	13.24%
Total Dematerialised Shareholding	**3,98,49,255**	**87.74%**
Physical Form	55,69,516	12.26%
Total	**4,54,18,871**	**100%**

Share Transfer System

Promoters' Dematerialisation: 100%

The International Securities Identification Number (ISIN) for equity shares is INE646H01017. As per amended Regulation 40 of SEBI Listing Regulations, transfer of securities is permitted only in demat form. The transfer of shares in physical form shall not be processed. Members holding shares in physical form are requested to convert their holding into dematerialised form.

CORPORATE GOVERNANCE REPORT

Nomination Facility

Section 72 of the Act provides that every holder of the securities of the Bank may at any time nominate in prescribed manner any person in whom the securities shall vest, in the event of death. Where the securities are held by more than one person jointly, the joint holders may together nominate any person in whom all the rights in the securities shall vest, in the event of death of all-joint holders.

In view of the above, the members are requested to avail the nomination facility by writing to the RTA of the Bank, details of whom are stated above.

Please note that the nomination shall automatically be rescinded on transfer/transmission/dematerialisation of the securities.

SEBI Complaints Redressal Systems (SCORES):

Investor complaints received by the Bank at SEBI Complaints Redressal System (SCORES) are regularly monitored and resolved by the Bank. Investors can lodge complaints on the SCORES and can view the status of their complaints.

Distribution of Shareholdings (as of March 31, 2026)

Details are provided in the chart below:

Demat Suspense Account

Particulars	No. of Shareholder	No. of Shares
(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	0	0
(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
(c) number of shareholders to whom shares were transferred from suspense account during the year	0	0
(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1	1024
(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	-	-

Details of Credit Ratings

The details of credit rating obtained by the Bank during the year is provided in the Board's Report, which forms a part of the Annual Report

Address for Correspondence

Registered Office of the Bank:

The Company Secretary and Compliance Officer,
Capital Small Finance Bank Limited,
MIDAS Corporate Park, 3rd Floor,
37, G.T. Road,
Jalandhar–144001
Punjab
Tel. No.: +91 181 5051111, 5052222
Email: cs@capitalbank.co.in

Shareholders' Helpdesk

Shareholders may note that the share transmission, dividend payment, and other investor related activities are attended to and processed at the office of the Bank's Registrar & Transfer Agents (RTA). For any grievances/complaints, shareholders may contact the RTA at the address mentioned above. The contact details for suggestions, requests, queries and complaints, etc, are available at www.capital.bank.in.

Shareholders holding shares in dematerialised form should address all their correspondence to their respective Depository Participants (DP)

CORPORATE GOVERNANCE REPORT

Succession Plan

The Bank recognises the importance of a sound succession plan for the Directors and Senior Management executives to ensure stability, operational continuity, and sustainable long-term growth of the institution. The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly appointments to the Board and Senior Management positions. The Bank has put in place the succession planning document of Senior Management and KMPs.

Details of Complaints Received and Resolved during the Year

Particulars	No. of Complaints (Equity)	No. of Complaints (Debt)
Complaints pending as of April 01, 2025	0	0
Received during the Year	1	0
Resolved during the Year	1	0
Complaints outstanding as of March 31, 2026	0	0

Details of the Compliance Officer:

Name: Mr. Amit Sharma

Designation: Company Secretary and Compliance Officer

Address: MIDAS Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar–144001 Punjab

Tel: +91 181 5051111/5052222

Email: cs@capitalbank.co.in

Investors' Grievance Redressal Mechanism

The Bank has framed investors' grievance redressal mechanism, which provides an avenue for investors to voice their concerns and offers transparency on how grievances will be managed, which aims to reduce conflict and strengthen relationships between investors. This mechanism is available at www.capital.bank.in

Distribution of Shareholding as of March 31, 2026

Nominal Shareholding	No. of Shareholders	Percentage of Total	Total Amount (in ₹)	Percentage of Total
1–5,000	60,993	95.7023	3,07,54,560	6.7713
5,001–10,000	1,102	1.7291	82,75,620	1.8221
10,001–20,000	688	1.0795	96,24,240	2.1190
20,001–30,000	263	0.4127	64,93,730	1.4297
30,001–40,000	142	0.2228	49,21,560	1.0836
40,001–50,000	109	0.1710	49,69,180	1.0941
50,001–1,00,000	191	0.2997	1,38,08,510	3.0403
1,00,001 and above	244	0.3829	37,53,40,310	82.6399
Total		**100.00**	**45,41,87,710**	**100.00**

Shareholding Pattern as of March 31, 2026

Category	Total Shares	% Shareholding
Promoter/Promoter Group	81,78,282	18.01%
Mutual Funds	6,93,630	1.53%
Alternate Investment Funds	47,67,121	10.50%
Insurance Companies	59,22,777	13.04%
NBFC	10,237	0.02%

CORPORATE GOVERNANCE REPORT

Category	Total Shares	% Shareholding
Financial Institutions	13,49,650	2.97%
Foreign Portfolio Investors Category I	2,47,631	0.55%
Directors and their Relatives	6,87,384	1.51%
Key Managerial Personnel	7,824	0.02%
Investor Education and Protection Fund	48,400	0.11%
Resident Individuals	1,22,08,678	26.88%
NRIs	74,13,917	16.32%
Bodies Corporate	15,95,747	3.51%
Trust	693	0.00%
Limited Liability Partnership	17,89,477	3.94%
HUF	4,70,924	1.04%
Clearing Member	26,399	0.06%
Total	**4,54,18,771**	**100%**

Share Transfer System:

The Bank's shares are traded under compulsory dematerialised mode. Shareholders who hold shares in physical form are advised to convert them into dematerialised mode to avoid the risk of losing shares, fraudulent transactions and to receive better investor servicing. Further, pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023:

- Listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, Claim from Unclaimed Suspense Account exchange/endorsement/sub-division/splitting/ consolidation of securities/transmission/ transposition of securities
- All holders of physical securities in listed companies to furnish PAN, nomination, contact details, Bank A/c details and specimen signature for their corresponding folio numbers
- The Bank adheres to the aforesaid requirements under the said SEBI circular

7. Other Disclosures:

a) Related Party Transactions:

There were no materially significant related party transactions having potential conflict with the interests of the Bank during FY26. All related party transactions entered during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee. The particulars of transactions between the Bank and its related parties, as defined under Section 2(76) of the Act and in Accounting Standard 18, are set out in the financial statements forming part of this Annual Report. The Board has put in place a policy on dealing with related party transactions and material related party transactions and the same is available on the Bank's website at https://www.capital.bank.in/investors/secreterial-policies

b) Vigil Mechanism/Whistle Blower Policy:

In line with the provisions of SEBI Listing Regulations, the Act and the principles of good governance, the Bank has devised and implemented a vigil mechanism. The Bank has a Board-approved Whistle Blower Policy which is available on the Bank's website at https://www.capital.bank.in/investors/secreterial-policies and details of the vigil mechanism are furnished in the Board's Report. Further, during the year under review, no person has been denied access to the Audit Committee.

c) Compliance with Mandatory Requirements of the SEBI Listing Regulations and Adoption of Non-mandatory Requirements of the SEBI Listing Regulations

- **Compliance with Mandatory Requirements of SEBI Listing Regulations:**

  The Bank has complied with all applicable mandatory requirements of the Code of Corporate Governance as per the SEBI Listing Regulations.

CORPORATE GOVERNANCE REPORT

➢ **Adoption of Non-mandatory Requirements of the SEBI Listing Regulations (Discretionary Requirements as Specified in Part E of Schedule II of SEBI Listing Regulations):**

- **The Board**

  The Bank has a Non-Executive Part-time Chairperson in terms of the provisions of the Banking Regulation Act, 1949 and his office is separate from the office of the MD & CEO. The appointment of both the Chairperson and the MD & CEO is approved by RBI pursuant to the provisions of the Banking Regulation Act, 1949.

  Further, the Chairperson of the Bank is not related to the MD & CEO of the Bank as per the definition of the term 'relative' defined under the Act.

  Further, the Bank has a woman director on the Board of Directors.

- **Shareholder's Right**

  Apart from the quarterly, half-yearly and annual update on the financial performance, the Bank also provides detailed update in the form of investors' presentation, for the information of the shareholders. Further, the same information is also published in widely circulated newspapers.

  The Bank also publishes its financial results, investors' presentations, call transcripts and press releases every quarter and when there is any investor event, on its website at www.capital.bank.in which is accessible to the public at large.

  Further, information pertaining to important developments of the Bank was brought to the knowledge of the public at large and to the shareholders through communications sent to the stock exchanges where the shares of the Bank are listed.

- **Modified Opinion(s) in Audit Report:**

  The financial statements of the Bank for FY26 are issued with unmodified audit opinion.

- **Reporting of Internal Auditor:**

  The Head of Internal Audit of the Bank reports directly to the Audit Committee of the Board and held separate discussions with the Audit Committee without the presence of management team.

- **Separate Posts of Chairperson and the Managing Director or the Chief Executive Officer**

  The Bank has complied with the requirement of having separate persons to the post of Chairperson and Managing Director & Chief Executive Officer and Chairman is not related to the MD & CEO as per the definition of term 'relative' defined under Act. Mr. Navin Kumar Maini is the Part-time Chairman (Non-Executive) and Mr. Sarvjit Singh Samra is MD & CEO of the Bank.

- **Independent Directors**

  As per the requirement of the Companies Act, 2013 and Regulation 25(3) of SEBI Listing Regulations, a meeting of the Independent Directors of the Bank is required to be held at least once a year in absence of Non-Independent Directors.

  During FY26, meeting of Independent Directors of the Bank was held on December 30, 2025 and March 18, 2026, chaired by Mr. Gurpreet Singh Chug, Independent Director and Mr. Nageswara Rao Yalamanchili, Independent Director respectively. All the Independent Directors of the Bank attended the meeting held on December 30, 2025 and reviewed the performance of Non-Independent Directors, the Board of Directors as a whole, Board Committees, Chairperson of the Bank, and assessed the quality, quantity, and timeliness of flow of information between the Bank's management and the Board. They expressed satisfaction on the same.

- **Risk Management**

  The Bank has constituted Risk Management Committee as per the composition, roles, and responsibilities specified in Regulation 21 of LODR.

CORPORATE GOVERNANCE REPORT

d) Weblink where Policy for Determining 'Material' Subsidiaries is Disclosed:

The Bank does not have any subsidiary. However, the Bank has framed the Policy for determining material subsidiaries placed at https://www.capital.bank.in/investors/secreterial-policies.

e) Weblink where Policy on Dealing with Related Party Transactions: https://www.capital.bank.in/investors/secreterial-policies

f) Disclosure of Commodity Price Risks and Commodity Hedging Activities: NA

g) Details of Utilisation of Funds Raised through Preferential Allotment or Qualified Institutions Placement as Specified Under Regulation 32 (7A):

During the year, the Bank has not raised any funds through preferential allotment or qualified institutional placement of equity shares, pursuant to Regulation 32(7A) of SEBI Listing Regulations.

h) There are no recommendations of the Committee that are not accepted by the Board of Directors of the Bank.

i) Total Fees for all Services Paid by the Listed Entity to the Statutory Auditor and all Entities in the Network Firm/Network Entity of which the Statutory Auditor is a part:

The total fee paid by the Bank for the services rendered by Statutory Auditors for FY26 is given below: -

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Audit Fee	1.03	0.93
Certificate Fee & Fee for other services	0.09	0.07
Out of Pocket expenses	0.32	0.40

Notes:

- The Audit Fee includes ₹0.42 crores (₹0.40 crores during the previous year) paid to auditors other than the statutory auditors. Out of pocket includes expenses for statutory auditor and other auditors.

j) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Bank has adopted the Prevention and Redressal of Sexual Harassment Policy in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Bank has zero tolerance towards sexual harassment at the workplace.

The following is the summary of sexual harassment complaints received and disposed of by the Bank during FY26.

Particulars	No. of Complaints
Number of complaints carried forward from last year (FY25)	Nil
Number of complaints filed during the Financial Year (FY26)	Nil
Number of complaints disposed of during the Financial Year (FY26)	Nil
Number of complaints pending at the end of the Financial Year (FY26)	Nil

The Policy on Prevention of Sexual Harassment has been uploaded on Bank's website at www.capital.bank.in

k) Disclosure by Bank and its Subsidiaries of 'Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are Interested': The aforesaid disclosure is exempted for listed banks.

l) Details of Material Subsidiaries of the Listed Entity; including the Date and Place of Incorporation and the Name and Date of Appointment of the Statutory Auditors of such Subsidiaries: Not applicable, as the Bank does not have any subsidiary.

m) Fair Practices Code: The Bank has adopted the Fair Practices Code pursuant to the RBI guidelines issued in this regard, which is placed on the Bank's website and displayed at all branches of the Bank.

CORPORATE GOVERNANCE REPORT

n) **Internal Code of Conduct for Prevention of Insider Trading:** The Board has adopted an Internal Code of Conduct for Prevention of Insider Trading in the securities of the Bank. The Code inter alia requires designated persons obtaining pre-clearance from the appropriate authority in the Bank for dealing in the securities of the Bank as per the criteria specified therein and prohibits the purchase or sale of securities of the Bank while in possession of Unpublished Price Sensitive Information in relation to the Bank besides during the period when the trading window is closed. The period of trading window closure is intimated to all concerned well in advance from time to time.

o) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Schedule V of SEBI Listing Regulations on Corporate Governance is required and the Certificate on Corporate Governance as issued by Deepak Arora & Associates, Practising Company Secretaries is enclosed as **Annexure C.2** at the end of this report

p) The Bank has undertaken an audit for FY26 for all applicable compliances as per SEBI Listing Regulations and circulars/guidelines issued thereunder. The Annual Secretarial Compliance Report pursuant to Regulation 24A of SEBI Listing Regulations will be submitted to stock exchanges within 60 days of the end of the financial year.

q) A declaration signed by Mr. Sarvjit Singh Samra, Managing Director and Chief Executive Officer stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of board of directors and senior management and the same is enclosed as **Annexure C.3** at the end of this report

r) Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF. Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. In the interest of the shareholders, the Bank sends periodical reminders to the shareholders to claim their dividends to avoid transfer of dividends/ shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Bank's website. The details of unclaimed dividends and shares transferred to IEPF, is provided at the website of the Bank/IEPF Authority. The Members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and send a duly signed physical copy of the same to the Bank, along with requisite documents enumerated in the web Form No. IEPF-5. No claims shall lie against the Bank in respect of the dividend/shares so transferred to IEPF. The detail of outstanding dividends and the dates by which it can be claimed by the shareholders from the Bank's Registrar and Transfer Agent are available on the Bank's website and provided in the Board's Report.

s) **Managing Director & CEO/CFO Certification**

The Managing Director & CEO and the Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, for FY26 and the same was placed before the Board of Directors at its meeting held on April 29, 2026 and the same is enclosed as **Annexure C.4** at the end of this report.

t) Pursuant to Schedule III, Para A, Clause 5A of SEBI Listing Regulations, there are no agreements impacting management or control of the Bank or imposing any restriction or creating any liability upon the Bank.

u) The Bank has complied with the Corporate Governance requirements as per the Regulation 17 to 27 and website disclosure requirements as per Regulation 46(2) of the SEBI Listing Regulations. Pursuant to Regulation 17(3) of

CORPORATE GOVERNANCE REPORT

SEBI Listing Regulations, a quarterly confirmation report confirming compliance with applicable laws, duly signed by Chief Compliance Officer of the Bank, is placed before the Audit Committee of the Board and the Board on quarterly basis.

v) **Directors E-KYC**

The Ministry of Corporate Affairs vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandating registration of KYC of all the directors through e-form DIR-3 KYC. All directors have complied with the aforesaid requirement.

w) **Transaction with Senior Management**

The members of the Senior Management of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest, and which may potentially conflict with the interest of the Bank at large.

x) **Plant Locations**

Being a banking company registered under the Banking Regulations Act, 1949, the provisions relating to disclosure of details relating to plant locations are not applicable to the Bank.

The Bank operates through a network of 211 branches spread across states of Punjab, Delhi, Haryana, Rajasthan, and Himachal Pradesh along with Union Territories of Chandigarh and Jammu & Kashmir.

CORPORATE GOVERNANCE REPORT
ANNEXURE C.1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Capital Small Finance Bank Limited
MIDAS Corporate Park, 3rd Floor,
37 G.T. Road, Jalandhar,
Punjab, 144001

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of Capital Small Finance Bank Limited having CIN: L65110PB1999PLC022634 and having registered office at Midas Corporate Park, 3rd Floor, 37 G.T. Road, Jalandhar, Punjab, 144001 (hereinafter referred to as the 'Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause (10)(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company as stated below for the financial year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the director	Director Identification Number	Date of appointment
1.	Mr. Sarvjit Singh Samra	00477444	May 31, 1999
2.	Mr. Munish Jain	10132430	August 28, 2023
3.	Mr. Balbir Singh	02284941	March 09, 2022
4.	Mr. Navin Kumar Maini	00419921	January 30, 2019
5.	Mr. Gurpreet Singh Chug	01003380	February 23, 2019
6.	Mr. Nageswara Rao Yalamanchili	06651230	June 29, 2022
7.	Mr. Bhavdeep Sardana	03516261	August 04, 2025
8.	Mr. Sukhen Pal Babuta	01739016	August 11, 2023
9.	Mr. Kamaldeep Singh Sangha	08242130	June 26, 2023
10.	Ms. Rachna Dikshit	08759332	June 26, 2023

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

For B. Sehgal and Associates
Practicing Company Secretaries

Sd/-
Bunny Sehgal
Proprietor
Membership No: F11407
CP No: 15161
Peer review Certificate No. 2281/2022
UDIN: F011407H000235576

Place: Gurugram
Date: 29.04.2026

CORPORATE GOVERNANCE REPORT
ANNEXURE C.2

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
CAPITAL SMALL FINANCE BANK LIMITED
MIDAS CORPORATE PARK, 3RD FLOOR, 37
G.T. ROAD, JALANDHAR – 144001, PUNJAB

We have examined the compliance of the conditions of Corporate Governance by CAPITAL SMALL FINANCE BANK LIMITED ("the Company") for the year ended on March 31, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2026.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DEEPAK ARORA & ASSOCIATES
Practicing Company Secretaries
ICSI Unique Code: P2001RJ080000

Sd/-
DEEPAK ARORA
Partner
FCS No. 5104 |COP No. 3641
Peer Review Certificate No: 6655/2025
UDIN: F005104H000235554

PLACE: Jaipur
DATE: April 29, 2026

CORPORATE GOVERNANCE REPORT
ANNEXURE C.3

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm and declare that all the Directors of the Bank and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Bank for the Financial Year 2025 – 2026.

For and on behalf of the Board of Directors

Sd/-
Sarvjit Singh Samra
Managing Director & CEO
DIN: 00477444

Place: Jalandhar
Date: April 29, 2026

CORPORATE GOVERNANCE REPORT
ANNEXURE C.4

CEO & CFO CERTIFICATION

To,
The Board of Directors
Capital Small Finance Bank Limited

1. Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that we have reviewed financial statements and the cash flow statement of the Bank for the year ended March 31, 2026 and to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact, nor do they contain statements that might be misleading; and
   ii. these statements together present a true and fair view of the Bank's affairs and are in compliance with applicable accounting standards, laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's Code of Conduct.
3. We accept responsibility for establishing and maintaining adequate internal controls for financial reporting and have evaluated the effectiveness of internal control system of the Bank pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee:
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in accounting policies during the year and that the same have been appropriately disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware, and the involvement therein, if any, of the management or an employee having significant role in the Bank's internal control system over financial reporting.

Sd/-
Sarvjit Singh Samra
Managing Director & CEO

Sd/-
Aseem Mahajan
Chief Financial Officer

Place: Jalandhar
Date: April 29, 2026

ANNEXURE–D

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company:** The Bank's CSR policy and programmes are in accordance with Section 135 of Companies Act, 2013 ('Act'), the Bank takes multiple initiatives in the areas of education, eradicating hunger, environmental sustainability, rural sports development, and health. The Bank's CSR policy can be found on the website of the Bank at www.capital.bank.in

   The following are the key projects that have been undertaken by the Bank's CSR:

   - Helping Hands for WFH (Water, Food and Health)
   - Sarv Shiksha Abhiyan
   - Committed to Environment Stewardship – Greenbelt
   - Gear Up India – Rural Sports Development
   - Healthcare/Donation under COVID 19
   - Tomorrow Ready Relief Project
   - Inclusion and Empowerment

2. **Composition of CSR Committee:**

   During the year under review, 5 meetings of CSR Committee were held, i.e, on April 25, 2025, August 13, 2025, September 18, 2025, November 03, 2025, and March 25, 2026. The CSR Committee was re-constituted in Board meeting held on September 18, 2025, which are stated as under:

S. No.	Name of 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.	Mr. Sham Singh Bains*	Chairperson/Independent Director	3	3
2.	Mr. Sarvjit Singh Samra**	Member/Managing Director & CEO	5	5
3.	Ms. Rachna Dikshit	Member/Independent Director	5	5
4.	Mr. Nageswara Rao Yalamanchili*	Member/Independent Director	3	3
5.	Mr. Sukhen Pal Babuta	Member/Independent Director	5	3
6.	Mr. Bhavdeep Sardana***	Member/Non-Executive Non-Independent Director	2	2

**Mr. Sham Singh Bains and Mr. Nageswara Rao Yalamanchili ceased to be the member of the Committee w.e.f. September 18, 2025*

***Mr. Sarvjit Singh Samra was appointed as Chairperson of the Committee w.e.f. September 18, 2025, in place of outgoing Mr. Sham Singh Bains.*

****Mr. Bhavdeep Sardana was inducted as member of the Committee w.e.f. September 18, 2025.*

The revised composition of CSR Committee as of March 31, 2026 is stated as under:

	Name of Director	Designation/Nature of Directorship
1.	Mr. Sarvjit Singh Samra*	Chairperson/Managing Director & CEO
2.	Ms. Rachna Dikshit	Member/Independent Director
3.	Mr. Bhavdeep Sardana**	Member/Non-Executive Non-Independent Director
4.	Mr. Sukhen Pal Babuta	Member/Independent Director

** Appointed as Chairperson in place of outgoing Mr. Sham Singh Bains w.e.f. September 18, 2025*

*** Inducted as Member of the Committee w.e.f. September 18, 2025*

ANNEXURE–D

3. **Provide the web-link where the composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:** www.capital.bank.in/csr
4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable
5. (a) **Average net profit of the Company as per sub-section (5) of Section 135:** ₹1,49,11,69,172.50

   (b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹2,98,23,383.45*

   *The Bank has disbursed ₹2,99,11,692 (in place of required ₹2,98,23,383.45) to the implementing agencies during the year for CSR activities.

   (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):** ₹2,99,11,692
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹1,81,49,688.41

   (Note: This amount excludes ₹3,57,34,602.77 spent during the Financial Year from the unspent account of the previous Financial Years)

   (b) **Amount spent in Administrative Overheads:** ₹5,42,759.36

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

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹1,86,92,447.77

   (e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,86,92,447.77	₹1,12,19,244.23	April 04, 2026	NIL	NIL	NIL

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

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	2,98,23,383.45
(ii)	Total amount spent for the Financial Year	1,86,92,447.77
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

ANNEXURE–D

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under 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	FY23	105.74 lakhs*	24.05 lakhs	24.05 lakhs	-	-	Nil	Nil
2	FY24	171.96 lakhs**	163.93 lakhs	159.66 lakhs	-	-	4.27 lakhs	Nil
3	FY25	200.49 lakhs	200.49 lakhs	173.64 lakhs	-	-	26.85 lakhs	Nil

**Out of ₹105.74 lakhs transferred to unspent account for the FY23, ₹24.30 lakhs and ₹57.39 lakhs was spent in FY24 and FY25 respectively*

***Out of ₹171.96 lakhs transferred to unspent account for the FY24, ₹8.03 lakhs was spent in FY'25*

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

☑ Yes ☐ No

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

2

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

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					CSR Registration Number	Name	Registered Address
(1)	(2)	(3)	(4)	(5)	(6)		
1.	Honda Activa situated at 2nd Floor, 36, G.T. Road, Jalandhar, Punjab	144001	May 14, 2025[1]	₹97,111	CSR00025876	Capital Foundation	2nd Floor, 36, G.T. Road, Jalandhar, Punjab
2.	Earnest money paid for the purchase of Land situated at VPO Rehmanpur, Tehsil & District Jalandhar	144024	September 16, 2025[2]	₹92,82,428	CSR00025876	Capital Foundation	2nd Floor, 36, G.T. Road, Jalandhar, Punjab

[1]*The Honda Activa has been procured under CSR as a capital asset to support implementation, monitoring and outreach of approved CSR activities, and is registered in the name of the implementing agency, Capital Foundation.*

[2]*Advance (earnest money) has been paid towards acquisition of land for CSR purposes; the transaction is presently under process and no further payment or registration has been completed as of the end of FY26.*

ANNEXURE–D

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

The Bank undertakes its Corporate Social Responsibility activities through various implementing agencies including Capital Foundation (a Society Registered under the Society Registration Act, 1860). During the Year under review, the Bank has disbursed the entire amount of its CSR obligation to the Capital Foundation and other implementing agencies. As per the report received from the Capital Foundation, ₹1,12,19,244.23 has remained unspent as some of the Ongoing Projects has not fully matured. Accordingly, as approved by the CSR Committee, Capital Foundation has transferred the said unspent amount to Unspent Corporate Social Responsibility Account in accordance with the provisions of Section 135(6) of the Act.

For and on behalf of Board of Directors

Sd/-
Sarvjit Singh Samra
Managing Director & CEO
DIN: 00477444
&
Chairman of CSR Committee

Sd/-
Gurpreet Singh Chug
Independent Director
DIN: 01003380

Date: April 29, 2026
Place: Jalandhar

ANNEXURE–E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

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

To,
The Members,
CAPITAL SMALL FINANCE BANK LIMITED
(CIN: L65110PB1999PLC022634)
MIDAS CORPORATE PARK,
3RD FLOOR, 37 G.T. ROAD,
JALANDHAR – 144001, PUNJAB

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CAPITAL SMALL FINANCE BANK LIMITED** (hereinafter called **"the Company/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 Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2026 **('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company 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, minutes book, forms and returns filed and other records maintained by the Company 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;

IV. The 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; **(Not applicable on the Company 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;

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 to the Company during the Audit Period);**

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

e) 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 on the Company during the Audit Period);**

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable on the Company during the Audit Period);**

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review)**;

h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

ANNEXURE–E

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

j) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

k) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

As confirmed following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:

i. The Reserve Bank of India Act, 1934 read with all applicable guidelines circulars, notifications etc.

ii. The Banking Regulation Act, 1949;

iii. Guidelines/Directions issued by Reserve Bank of India on Small Finance Bank.

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

- Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- The Listing Agreement entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. During the period under review, following changes were made in the composition of Board of directors which were carried out in compliance with the provisions of the Act:-

1. Mr. Bhavdeep Sardana (DIN: 03516261) was appointed as an Additional Director (Category: Non-Executive Non-Independent Director) on the Board of the Bank pursuant to the approval of the Board of Directors at its meeting held on July 24, 2025, based on the recommendation of the Nomination and Remuneration Committee. Subsequently, His appointment was approved by the Shareholders of the Bank, vide Postal Ballot notice dated August 14, 2025, as Non-Executive Non-Independent Director with effect from August 04, 2025, for a period of 8 years.
2. Mr. Mahesh Parasuraman (DIN: 00233782), Nominee Director representing Amicus Capital Private Equity I LLP & Amicus Capital Partners India Fund I ("Amicus"), resigned from the Board of the Bank with effect from the close of business hours on August 14, 2025.
3. Mr. Dinesh Gupta (DIN: 00475319), Non-Executive Non-Independent Director (Category: Promoter), also resigned from the Board of the Bank with effect from the close of business hours on August 14, 2025.
4. Mr. Sham Singh Bains ceased to be the Non-Executive Independent Director of the Bank with effect from the close of business hours on November 08, 2025, upon completion of his tenure.
5. Mr. Munish Jain (DIN: 10132430) was re-appointed as Whole Time Director (Category: Executive Director) of the Bank for a period of 3 years with effect from August 28, 2026, pursuant to the approval of the shareholders of the Bank, vide Postal Ballot notice dated January 29, 2026, approved his re-appointment for the said term, subject to the approval of the Reserve Bank of India (RBI).

Adequate notice is given to all the Directors/members/ invitees to schedule the Board meetings, Committee meetings and General Meetings, along with its agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of Board, Committee and General Meetings were carried with requisite majority.

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

We further report that during the audit period following major events took place in Company, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:-

a) The shareholders of the Company, at the 26th Annual General Meeting held on August 01, 2025, approved the appointment of M/s Deepak Arora & Associates (ICSI Unique Code: P2001RJ080000, Peer Review Certificate No.: 6655/2025), Practicing Company Secretary, Jaipur, as the Secretarial Auditor of the

ANNEXURE–E

Company for a term of five (5) consecutive years commencing from the financial year 2025-26.

b) During the period under review, the Bank has reclassified the outgoing promoter group shareholder, Mr. Dinesh Gupta and persons related to him, from the promoter group category to the public shareholder category. The Bank has duly followed the prescribed process in this regard and has obtained the necessary approval/NOC from BSE Limited.

c) **During the period under review, the Company has made following allotments: -**

- 39,250 (Thirty Nine Thousand Two Hundred Fifty) Equity Shares having face value of INR 10/- each at a premium of INR 88/- per share (i.e., at INR 98/- per share), aggregating to INR 38,46,500 (Indian Rupees Thirty Eight Lakhs Forty Six Thousand Five Hundred Only), were allotted under CSFB Limited-Employee Stock Option Plan 2018 in the Securities Committee meeting held on August 29, 2025;
- 1,32,584 (One Lakh Thirty Two Thousand Five Hundred Eighty Four) Equity Shares having face value of INR 10/- each at a premium of INR 161/- per share (i.e., at INR 171/- per share), aggregating to INR 2,26,71,864 (Indian Rupees Two Crore Twenty Six Lakhs Seventy One Thousand Eight Hundred Sixty Four Only), were allotted under CSFB Limited-Employee Stock Option Plan 2023 in the Securities Committee meeting held on December 05, 2025;

d) **During the Audit period under review, the Company has redeemed the following Non- Convertible Debentures, pursuant to exercise of Call Option: -**

S. No.	Date of Allotment	Number of Debentures	Face Value per Debenture (in ₹)	Total Amount (in ₹)	Date of Redemption	Remarks
1.	30-03-2016	2500	1,00,000/-	25,00,00,000/-	30-03-2026	Listed on BSE
2.	31-03-2015	140	10,00,000/-	14,00,00,000/-	31-03-2026	Listed on BSE

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

For DEEPAK ARORA & ASSOCIATES
Practicing Company Secretaries
ICSI Unique Code: P2001RJ080000

Sd/-
DEEPAK ARORA
Partner
FCS No. 5104 |COP No. 3641
Peer Review Certificate No: 6655/2025
UDIN: F005104H000225786

PLACE: Jaipur
DATE: April 29, 2026

ANNEXURE–E

Annexure A

To,
The Members

CAPITAL SMALL FINANCE BANK LIMITED
(CIN: L65110PB1999PLC022634)
MIDAS CORPORATE PARK 3RD FLOOR,
37, G.T. ROAD JALANDHAR – 144001, PUNJAB

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 Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test 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 Company.
4. Where ever 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 Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DEEPAK ARORA & ASSOCIATES
Practicing Company Secretaries
ICSI Unique Code: P2001RJ080000

Sd/-
DEEPAK ARORA
Partner
FCS No. 5104 |COP No. 3641
Peer Review Certificate No: 6655/2025
UDIN: F005104H000225786

PLACE: Jaipur
DATE: April 29, 2026

INDEPENDENT AUDITOR'S REPORT

To The Members of

CAPITAL SMALL FINANCE BANK LIMITED

Report on the Audit of Financial Statements

OPINION

We have audited the accompanying financial statements of CAPITAL SMALL FINANCE BANK LIMITED ("the Bank"), which comprise the Balance Sheet as at March 31, 2026, the Profit and Loss Account, the Cash Flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (together referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act ("Accounting Standards") as applicable to Bank, the relevant circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2026, its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Identification of Non-Performing Advances and Provisioning for Advances** (Refer Schedule 9 to the financial statements) Advances constitute a significant portion of the Bank's assets, and the quality of these advances is measured in terms of ratio of Non-Performing Advances ("NPA") to the gross advances of the Bank. The Bank has gross advances amounting to 8,68,67,737 thousand (Previous Year 7,18,38,897 thousand) and the gross NPA ratio of Bank is 2.54% (Previous Year 2.58%) as at March 31, 2026. The Reserve Bank of India's (RBI) guidelines on income recognition, asset classification and provisioning ('IRAC norms') and other RBI Guidelines (herein after referred as "Relevant RBI guidelines") prescribes the norms for identification and classification of NPAs and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provisioning for NPAs by applying quantitative as well as qualitative factors.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular, our procedures include: • We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines. • We have analysed and understood key IT systems/applications used and tested the design and implementation as well as operational effectiveness of relevant controls in relation to income recognition, asset classification, viz. standard, sub-standard, doubtful and loss with reference to relevant RBI guidelines and provisioning pertaining to advances. • We test checked advances to examine the validity of the recorded amounts, underlying loan documentation and statement of accounts, impairment provision for NPAs, and compliance with IRAC norms and other RBI guidelines. • We performed test of details on the provisioning made against respective asset classes as at balance sheet date, and consistency of such provisioning with the Bank's accounting policies and applicable regulatory provisioning requirements.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	In view of the significance of this area to the overall audit of financial statements, it has been considered as a key audit matter.	• We have considered the system generated "SMA" reports and made inquiries of personnel in the Bank's credit and risk departments regarding indicators of stress or the occurrence of specific event(s) of default or other factors affecting the loan portfolio/particular loan product category, that may affect NPA identification and/or provisioning. • Evaluated the governance process and controls over calculation of provision for Non-performing Advances and tested that the basis of provisioning is in accordance with the Board of Directors approved policy and IRAC norms. • We performed analytical procedures which considered both financial and non-financial parameters, in relation to identification of NPAs and provisioning there against. • We had performed the walkthrough of the NPA automation process in the current financial year and tested the core functionality for selected sample and tested the identification of NPA and computation of provisions.
2	**Key Information technology (IT) systems used in financial reporting process:** As a Scheduled Commercial Bank that operates on core banking solution (CBS) and other loan applications across its branches, the reliability and security of IT systems plays a key role in the business operations. 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. The IT infrastructure is critical for smooth functioning of the Bank's business operations as well as for timely and accurate financial accounting and reporting. Due to the pervasive nature and complexity of the IT environment we have identified access controls, segregation of duties and change management of relevant Information technology applications, databases, and operating systems (IT) used in financial reporting process as a key audit matter.	We obtained an understanding of the Bank's IT related control environment. Furthermore, we conducted an assessment and identified key IT applications, databases and operating systems that are relevant for our audit. For the key IT systems used to prepare accounting and financial information, our areas of audit focus included access security (including controls over privileged access), program change controls, database management and network operations. Our procedures include: We tested the design, implementation, and operating effectiveness of the Bank's IT General controls over the key IT systems that are critical to financial reporting. This included evaluation of Bank's controls to evaluate segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Bank's Board of Directors are responsible for the other information. The other information comprises the information in the Annual Report but does not include the financial statements and our auditors report thereon and the Disclosures under Reserve Bank of India (Small Finance Banks – Prudential Norms on Capital Adequacy) Directions, 2025.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standards specified under section 133 of the Act and other accounting principles generally accepted in India and the circulars, guidelines and the directions issued by the Reserve Bank of India, from time to time. This responsibility also includes 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 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 statement 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 the Board of Directors either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so.

The Bank's Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITY 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 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:

- 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.
- 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 Act, we are also responsible for expressing our opinion on whether the Bank has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 and 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 to the core banking system, it does not require its branches to submit any financial returns. Accordingly, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. We have visited 33 branches to examine the records maintained at the branches for the purpose of our audit.

3) 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 purposes of our audit and have found them to be satisfactory.

   (b) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   (c) 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 the RBI;

   (d) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

   (e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls with reference to financial statements, and;

   (f) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12 and Note No. 32 of the Schedule 18 to the financial statements.

      ii. The Bank did not have any long-term contracts including derivative contracts

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

as at the year-end for which there were material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2026.

iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Bank from any person or entity, including foreign entity ("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.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. a) The final dividend paid by the Bank during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 1.1.5 of Schedule 18 to the financial statements, the board of Directors of the bank have proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The dividend proposed is in accordance with section 123 of the Act.

vi. Based on our examination, which included test checks, the Bank has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026, which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Bank as per the statutory requirements for record retention.

4) 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, in our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

FOR **SCV & CO. LLP**
Chartered Accountants
Firm Registration No. 000235N/N500089

SUNNY SINGH
Partner
Membership No. 516834
ICAI UDIN: 26516834SBJQGC5267

Place: Noida
Date: April 29, 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 3(e) under the heading "Report on other legal and regulatory requirements" of our report of even date.

Report on the Internal Financial Controls with reference to the Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Capital Small Finance Bank Limited** ("the Bank") as of March 31, 2026 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Bank's management 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 issued by the Institute of Chartered Accountants of India. 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting 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, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO FINANCIAL STATEMENTS

A Bank's internal financial control over financial reporting 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. A Bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) 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 authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 OVER FINANCIAL REPORTING WITH REFERENCE TO THE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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 issued by the Institute of Chartered Accountants of India.

FOR **SCV & CO. LLP**
Chartered Accountants
Firm Registration No. 000235N/N500089

SUNNY SINGH
Partner
Membership No. 516834
ICAI UDIN: 26516834SBJQGC5267

Place: Noida
Date: April 29, 2026

BALANCE SHEET

AS ON MARCH 31, 2026

(₹ '000)

Particulars	Schedule	As on March 31, 2026	As on March 31, 2025
CAPITAL & LIABILITIES			
Capital	1	4,54,188	4,52,469
Reserves and Surplus	2	1,41,56,107	1,29,48,885
Deposits	3	10,01,76,483	8,32,25,995
Borrowings	4	49,94,267	32,05,800
Other Liabilities and Provisions	5	16,58,361	12,41,977
Total		**12,14,39,406**	**10,10,75,126**
ASSETS			
Cash and Balances with Reserve Bank of India	6	41,26,735	64,98,422
Balances with Banks and Money at Call and Short Notice	7	90,79,845	34,98,750
Investments	8	1,97,31,372	1,81,94,534
Advances	9	8,57,24,104	7,09,03,911
Fixed assets	10	9,68,246	8,77,485
Other Assets	11	18,09,104	11,02,024
Total		**12,14,39,406**	**10,10,75,126**
Contingent Liabilities	12	10,60,660	7,86,070
Bills for Collection		-	-
Significant Accounting Policies and Notes forming part of the Financial Statements	17 & 18		

The schedules referred to above form an integral part of the Balance Sheet. The Balance Sheet has been prepared in conformity with Form A to the Third Schedule of the Banking Regulation Act, 1949.

As per our report of even date attached.

For **SCV & Co. LLP**
Chartered Accountants
FRN: 000235N/N500089

Sunny Singh
Partner
Membership No. 516834

Date: April 29, 2026
Place: Noida

For and on behalf of The Board of
Capital Small Finance Bank Limited

Sarvjit Singh Samra
Managing Director
& Chief Executive Officer
DIN: 00477444

Munish Jain
Director
DIN: 10132430

Gurpreet Singh Chug
Director
DIN: 01003380

Aseem Mahajan
Chief Financial Officer

Amit Sharma
Company Secretary
Membership No. FCS10888

Date: April 29, 2026
Place: Jalandhar

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2026

(₹ '000)

Particulars	Schedule	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Interest Earned	13	1,04,86,015	90,84,958
Other Income	14	9,82,673	8,60,232
Total		**1,14,68,688**	**99,45,190**
EXPENDITURE			
Interest Expended	15	58,71,848	49,83,049
Operating Expenses	16	34,61,758	31,07,868
Provisions and Contingencies	18(25)	7,21,159	5,37,801
Total		**1,00,54,765**	**86,28,718**
PROFIT			
Net profit for the year		14,13,923	13,16,472
Profit brought forward		39,43,908	30,59,023
Total		**53,57,831**	**43,75,495**
APPROPRIATIONS			
Transfer to Statutory Reserves		3,53,480	3,29,118
Transfer to Special Reserve		50,793	39,398
Transfer to Revenue and Other Reserves (Investment Fluctuation Reserve)		29,612	15,200
Transfer (from)/to Revenue and Other Reserves (General Reserve)		-	(6,188)
Dividend paid during the year		1,80,988	54,059
Balance carried over to Balance sheet		47,42,958	39,43,908
Total		**53,57,831**	**43,75,495**
EARNING PER SHARE	18(14)		
Basic (₹)		31.20	29.18
Diluted (₹)		31.09	29.09
Face Value (₹)		10.00	10.00
Significant Accounting Policies forming part of the Financial Statements	17 & 18		

The schedules referred to above form an integral part of the Profit & Loss Account. The Profit & Loss Account has been prepared in conformity with Form B to the Third Schedule of the Banking Regulation Act, 1949.

As per our report of even date attached.

For **SCV & Co. LLP**
Chartered Accountants
FRN: 000235N/N500089

Sunny Singh
Partner
Membership No. 516834

Date: April 29, 2026
Place: Noida

For and on behalf of The Board of
Capital Small Finance Bank Limited

Sarvjit Singh Samra
Managing Director
& Chief Executive Officer
DIN: 00477444

Munish Jain
Director
DIN: 10132430

Gurpreet Singh Chug
Director
DIN: 01003380

Aseem Mahajan
Chief Financial Officer

Amit Sharma
Company Secretary
Membership No. FCS10888

Date: April 29, 2026
Place: Jalandhar

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2026

(₹ '000)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes	18,88,033	17,51,298
Adjustments For:		
Depreciation Charge/Amortization on Fixed Assets	1,78,243	1,69,895
Loan Loss Provision	2,47,049	1,02,975
Amortisation of premium/(discount) on investments	31,820	33,192
Profit on Sale of Fixed Assets	(127)	(160)
Employee Stock Options Expense	41,326	48,951
Operating profit before working capital changes	**23,86,344**	**21,06,151**
Movement in working capital		
(Increase)/Decrease in Term Deposits with other Banks	(57,93,279)	38,93,526
(Increase) in Investments (other than HTM Investments)	(16,17,408)	(6,95,575)
(Increase) In Advances	(1,50,28,841)	(1,02,40,937)
Increase in Deposits	1,69,50,488	84,48,604
(Increase) In Other Assets	(6,81,784)	(27,889)
Increase/(Decrease) in Other Liabilities & Provisions	3,85,399	(2,55,759)
Cash Flow from Operating Activities	**(33,99,081)**	**32,28,121**
Direct Taxes Paid (net of refunds)	(4,51,834)	(4,33,176)
NET CASH FLOW (USED IN) FROM OPERATING ACTIVITIES	**(38,50,915)**	**27,94,945**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,73,796)	(2,11,922)
Proceeds from Sale of Fixed Assets	4,919	1,998
Investments in HTM securities (Net)	(98,075)	(3,54,608)
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(3,66,952)**	**(5,64,532)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital including Share Premium	26,518	19,468
Redemption of Bonds	(5,10,000)	(94,700)
Net Increase/(Decrease) in Borrowings/ Refinance	22,98,467	(14,22,000)
Dividend Payment	(1,80,988)	(54,059)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	**16,33,997**	**(15,51,291)**
Net (Decrease)/Increase in Cash & Cash Equivalents	(25,83,870)	6,79,122
Cash & Cash Equivalents in the beginning of the year	73,29,782	66,50,660
Cash & Cash Equivalents at the end of the year	47,45,912	73,29,782

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021.
2. Figures in bracket indicates cash outflow.

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
FRN: 000235N/N500089

Sunny Singh
Partner
Membership No. 516834

Date: April 29, 2026
Place: Noida

For and on behalf of The Board of
Capital Small Finance Bank Limited

Sarvjit Singh Samra
Managing Director
& Chief Executive Officer
DIN: 00477444

Munish Jain
Director
DIN: 10132430

Gurpreet Singh Chug
Director
DIN: 01003380

Aseem Mahajan
Chief Financial Officer

Amit Sharma
Company Secretary
Membership No. FCS10888

Date: April 29, 2026
Place: Jalandhar

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

SCHEDULE 1 - CAPITAL

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
Authorised Capital	5,00,000	5,00,000
5,00,00,000 equity shares of ₹10 each (Previous year 5,00,00,000 equity shares of ₹10 each)		
Issued, Subscribed and Fully Paid-up Capital		
4,54,18,771 equity shares issued of ₹10 each fully paid-up (Previous year 4,52,46,937 equity shares of ₹10 each)	4,54,188	4,52,469
Total	**4,54,188**	**4,52,469**

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
I Statutory Reserves		
Opening Balance	15,71,528	12,42,410
Additions during the year	3,53,480	3,29,118
Deductions during the year	-	-
Total	**19,25,008**	**15,71,528**
II Capital Reserve		
Opening Balance	159	159
Additions during the year	-	-
Deductions during the year	-	-
Total	**159**	**159**
III Special Reserve		
Opening Balance	1,52,464	1,13,066
Additions during the year	50,793	39,398
Deductions during the year	-	-
Total	**2,03,257**	**1,52,464**
IV Share Premium		
Opening Balance	70,06,446	69,48,673
Additions during the year	82,452	57,773
Deductions during the year	-	-
Total	**70,88,898**	**70,06,446**
V Revenue and Other Reserves		
i) Investment Fluctuation Reserve		
Opening Balance	**93,455**	**78,038**
Additions during the year	29,612	15,945
Deductions during the year	-	(528)
Total	**1,23,067**	**93,455**
ii) Investment Reserve Account		
Opening Balance	**-**	**9718**
Additions during the year	-	-
Deductions during the year	-	(9,718)
Total	**-**	**-**
iii) Stock Option Reserve		
Opening Balance	81,267	72,665
Additions during the year	41,325	48,951
Deductions during the year	(39,618)	(40,349)
Total	**82,974**	**81,267**

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

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
iv) General Reserve		
Opening Balance	26,804	-
Additions during the year	-	26,804
Deductions during the year	-	-
Total	**26,804**	**26,804**
v) AFS Reserve		
Opening Balance	72,854	-
Additions during the year	9,664	76,338
Deductions during the year	(1,19,536)	(3,484)
Total	**(37,018)**	**72,854**
VI Balance in Profit & Loss Account	**47,42,958**	**39,43,908**
Grand Total	**1,41,56,107**	**1,29,48,885**

SCHEDULE 3 - DEPOSITS

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
A I Demand Deposits		
i) From Banks	1,215	129
ii) From Others	29,79,715	29,17,816
II Saving Bank Deposits	3,18,17,101	2,78,26,828
III Term Deposits*		
i) From Banks	59,36,997	41,33,649
ii) From Others	5,94,41,455	4,83,47,573
Total (I+II+III)	**10,01,76,483**	**8,32,25,995**
*Includes deposits amounting to ₹48,53,337 ('000) as on March 31, 2026 & ₹44,61,634 ('000) as on March 31, 2025 against which lien is marked		
B I Deposits of branches in India	10,01,76,483	8,32,25,995
II Deposits of branches outside India	-	-
Total (I+II)	**10,01,76,483**	**8,32,25,995**

SCHEDULE 4 - BORROWINGS

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
I Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	-	-
iii) Other Institutions and Agencies	29,61,667	6,63,200
iv) Unsecured Redeemable Non-Convertible Bonds (Subordinated Debt- Tier II Capital)	20,32,600	21,52,600
v) Hybrid Debt Capital instrument issued as Debentures	-	3,90,000
II Borrowings outside India	**-**	**-**
Total (I+II)	**49,94,267**	**32,05,800**
Secured Borrowings included in I & II above	29,61,667	6,63,200

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

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
I Bills Payable	8,19,014	4,88,849
II Inter-office adjustments (Net)	-	-
III Interest accrued	58,095	53,666
IV Provision for taxes (net of taxes paid in advance/TDS)	10,617	-
V Others (including provisions)	4,28,837	3,96,066
(i) Provision against standard assets	3,41,798	3,03,396
Total	**16,58,361**	**12,41,977**

SCHEDULE 6 - CASH AND BALANCE WITH RESERVE BANK OF INDIA

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
I Cash in hand (including Cash at ATM & Foreign Currency Notes)	8,51,720	7,84,278
II Balance with Reserve Bank of India		
a) In current accounts	30,05,015	33,34,144
b) In other accounts	2,70,000	23,80,000
Total (I+II)	**41,26,735**	**64,98,422**

SCHEDULE 7 - BALANCE WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
I In India		
I) Balance with Banks		
a) In current accounts	6,19,177	8,31,360
b) In other deposit accounts	84,60,668	26,67,390
II) Money at call and short notice		
a) With Banks	-	-
b) With other Institutions	-	-
Total (I)	**90,79,845**	**34,98,750**
II Outside India		
a) In current accounts	-	-
b) In other deposit accounts	-	-
c) Money at call and short notice	-	-
Total (II)	**-**	**-**
G.Total (I+II)	**90,79,845**	**34,98,750**

SCHEDULE 8 - INVESTMENTS

(₹ '000)

Particulars	As on March 31, 2026	As on March 31, 2025
I Investments in India in		
i) Government Securities	1,96,76,393	1,81,52,469
ii) Other approved securities	-	-
iii) Shares	54,979	42,065
iv) Debentures and Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others	-	-
Total (I)	**1,97,31,372**	**1,81,94,534**

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

SCHEDULE 8 - INVESTMENTS (Contd.)

(₹ '000)

Particulars			As on March 31, 2026	As on March 31, 2025
II	**Investments outside India in**			
	i)	Government Securities (including Local Authorities)	-	-
	ii)	Subsidiaries and/or joint ventures abroad	-	-
	iii)	Other Investments	-	-
	Total (II)		**-**	**-**
	G.Total (I+II)		**1,97,31,372**	**1,81,94,534**

SCHEDULE 9 - ADVANCES

(₹ '000)

Particulars			As on March 31, 2026	As on March 31, 2025
A	i)	Bills Purchased and Discounted	-	-
	ii)	Cash Credits, Overdrafts and Loans Repayable on Demand	3,04,02,229	2,70,92,047
	iii)	Term Loans	5,53,21,875	4,38,11,864
	Total		**8,57,24,104**	**7,09,03,911**
B	i)	Secured by Tangible Assets	8,37,57,973	7,07,25,758
	ii)	Covered by Bank /Government Guarantees	50,981	1,06,978
	iii)	Unsecured	19,15,150	71,175
	Total		**8,57,24,104**	**7,09,03,911**
C	I)	Advances in India		
	i)	Priority Sector	5,01,88,119	4,07,70,522
	ii)	Public Sector	-	-
	iii)	Banks	-	567
	iv)	Other	3,55,35,985	3,01,32,822
	Total (I)		**8,57,24,104**	**7,09,03,911**
	II)	Advances outside India		
	i)	Due from Banks	-	-
	ii)	Due from Others	-	-
	a)	Bills Purchased & Discounted	-	-
	b)	Syndicated Loans	-	-
	c)	Others	-	-
	Total (II)		**-**	**-**
	G.Total (I+II)		**8,57,24,104**	**7,09,03,911**

SCHEDULE 10 - FIXED ASSETS

(₹ '000)

Particulars		As on March 31, 2026	As on March 31, 2025
I	**Premises**		
	At cost as on March 31 of the preceeding year	1,22,193	1,07,641
	Additions during the year	17,460	14,552
	Deductions during the year	-	-
	Total	**1,39,653**	**1,22,193**
	Depreciation		
	As at March 31 of the preceeding year	4,846	3,461
	Charge for the year	1,852	1,385
	Total	**6,698**	**4,846**
	Net Block I	**1,32,955**	**1,17,347**

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

SCHEDULE 10 - FIXED ASSETS (Contd.)

(₹ '000)

Particulars		As on March 31, 2026	As on March 31, 2025
II	**Other Fixed Assets (including furniture & fixtures)**		
	At cost as on March 31 of the preceding year	22,91,330	20,98,820
	Additions during the year	2,56,336	2,11,922
	Deductions during the year	(18,100)	(19,412)
	Total	**25,29,566**	**22,91,330**
	Depreciation		
	As at March 31 of the preceding year	15,31,192	13,65,706
	Charge for the year	1,76,391	1,68,510
	Reversed on sale	(13,308)	(3,024)
	Total	**16,94,275**	**15,31,192**
	Net Block II	8,35,291	7,60,138
	Total (I & II)	**9,68,246**	**8,77,485**

SCHEDULE 11 - OTHER ASSETS

(₹ '000)

Particulars		As on March 31, 2026	As on March 31, 2025
I	Inter-office adjustments (net)	-	-
II	Interest accrued	6,84,296	3,99,087
III	Taxes paid in advance/TDS (net of provision for taxes)	-	34,485
IV	Stationery & Stamps	4,949	3,926
V	Non-banking assets acquired in satisfaction of claims	-	-
VI	Others (includes deposits amounting to ₹8,17,481('000) as on March 31, 2026 & ₹4,20,445 ("000) as on March 31, 2025 placed on account of shortfall in priority sector target)	11,19,859	6,64,526
	Total	**18,09,104**	**11,02,024**

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ '000)

Particulars		As on March 31, 2026	As on March 31, 2025
I	Claims against the Bank not acknowledged as debts	-	12,208
II	Liability for partly paid investments	-	-
III	Liability on account of outstanding forward exchange contracts	-	-
IV	Guarantees given on behalf of constituents		
	(a) In India	9,35,807	6,62,012
	(b) Outside India	-	-
V	Acceptances, endorsements and other obligations	-	15,386
VI	Other items for which Bank is contingently liable	1,24,853	96,464
	Total	**10,60,660**	**7,86,070**

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

SCHEDULE 13 - INTEREST EARNED

(₹ '000)

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest/discount on advances/bills	82,61,536	71,87,004
II	Income on investments	13,09,451	12,28,246
III	Interest on balance with Reserve Bank of India and inter-bank funds	8,91,437	6,50,403
IV	Others	23,591	19,305
	Total	**1,04,86,015**	**90,84,958**

SCHEDULE 14 - OTHER INCOME

(₹ '000)

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
I	Commission, exchange and brokerage	9,35,781	8,12,317
II	Profit on sale of investments (Net)	15,679	13,246
III	Profit on revaluation of investments (Net)	-	-
IV	Profit/(Loss) on sale of Land,building & other assets (Net)	127	160
V	Profit on Exchange Transactions (Net)	30,402	34,414
VI	Income earned by way of dividends etc.	-	-
VII	Miscellaneous income	684	95
	Total	**9,82,673**	**8,60,232**

SCHEDULE 15 - INTEREST EXPENDED

(₹ '000)

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
I	Interest on Deposits	54,42,652	46,26,153
II	Interest on Reserve bank of India/ Inter-Bank Borrowings	-	1,229
III	Others	4,29,196	3,55,667
	Total	**58,71,848**	**49,83,049**

SCHEDULE 16 - OPERATING EXPENSES

(₹ '000)

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
I	Payments to and provisions for employees	18,22,890	14,85,703
II	Rent, Taxes and Lighting	3,67,601	3,41,334
III	Printing and Stationery	28,884	35,643
IV	Advertisement and Publicity	28,362	16,839
V	Depreciation on Bank's property	1,78,243	1,69,895
VI	Directors' Fees, Allowances & Expenses	11,761	14,360
VII	Auditors' Fees and Expenses	14,444	14,031
VIII	Law charges	4,344	1,026
IX	Postage, Telegrams, Telephones etc.	65,748	53,806
X	Repairs and Maintenance	1,22,411	98,256
XI	Insurance	1,10,294	99,780
XII	Other expenditure	7,06,776	7,77,195
	Total	**34,61,758**	**31,07,868**

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

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

1 CORPORATE INFORMATION

Capital Small Finance Bank Limited ('the Bank') is publicly held banking company, domiciled in India. The Bank is governed by the Banking Regulation Act, 1949, banking guidelines issued by the RBI on Small Finance Bank 2016, and the Companies Act, 2013.

The Bank had originally obtained its license from Reserve Bank of India ('RBI') to operate as a Capital Local Area Bank. The name of the Bank has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Reserve Bank of India ('the RBI' or 'RBI') notification dated February 16, 2017. Headquartered in Jalandhar, Punjab, Capital Small Finance Bank began operations as India's first small finance bank (SFB) in April 2016 after conversion from Capital Local Area Bank. The Bank is engaged in providing a wide range of banking and financial services including retail & commercial banking and treasury operations. The Bank operates in India and does not have any branch outside India.

2 BASIS OF PREPARATION

The accompanying financial statements have been prepared under the historical cost convention and on accrual basis except where otherwise stated, and in compliance with the generally accepted accounting principles in India ("Indian GAAP") and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by the RBI from time to time (RBI guidelines), Accounting Standards ("AS") referred to in Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices prevailing within the banking industry in India. The financial statements are presented in Indian Rupees rounded off to the nearest thousands unless otherwise stated.

3 USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year/period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from estimates and the differences between the actual results and the estimates are recognized prospectively from the period of change unless otherwise stated.

4 FIXED ASSETS AND DEPRECIATION/AMORTISATION

I. Fixed Assets

4.1 Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment if any. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

4.2 An item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on de-recognition is recognized in the Profit and Loss account.

4.3 Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised on net basis, within "Other Income" as Profit/(Loss) on sale of fixed assets, as the case maybe, in the Profit and Loss Account in the year/ period of disposal or retirement.

4.4 Profit on sale of immovable property net of taxes and transfer to statutory reserve, are transferred to capital reserve account in terms of the RBI guidelines.

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

II. Depreciation and Amortisation

4.5 Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are depreciated over the duration of the primary lease period or useful life whichever is less. Software and system development expenditure is amortized over a period of 5 years.

4.6 Intangible assets are amortized on a straight- line basis over their estimated useful life. The amortization period is reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

4.7 The useful life of depreciation for key fixed assets is based on historic experience of the Bank, which is different from the useful life as prescribed in Schedule II of Companies Act, 2013 are as follows:

Asset	Estimated useful life as assessed by the Bank
Automated Teller Machines (ATMs)	10 years
Mobile Phones	3 years
Cash Sorting Machines	3 years

4.8 All other Assets are depreciated on the rates, calculated on the basis of useful life specified in the Schedule II of the Companies Act 2013, as detailed below:

Asset	Estimated useful life as assessed by the Bank
Premises	60 years
Computers	3 years
Plant and Machinery	15 years
Office Equipment	5 years
Furniture & Fixture	10 years
Motor Car	8 years
Two-Wheeler	10 years
Cycle	10 years

4.9 Assets purchased/sold during the year/period are depreciated on a pro-rata basis.

4.10 Assets individually costing up to ₹5,000/- are depreciated fully in the year of acquisition.

5 IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at the Balance Sheet date to determine if there are any indications of impairment based on internal / external factors. In case of impaired assets, the impairment loss i.e., the amount by which the carrying amount of the asset exceeds its recoverable value is charged to the Profit and Loss account to the extent the carrying amount of assets exceeds its estimated recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over remaining useful life.

6 INVESTMENTS

The Bank has reckoned Investments in accordance with RBI guidelines: Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2025, dated November 28, 2025.

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

The accounting policy is as follows:

6.1 Categorization of Investments

The Bank classifies its investment into one of the following three categories:

- Held to Maturity (HTM) – The securities that are acquired with the intention and objective of holding it to maturity and the contractual terms of the security give rise to cashflows that are solely payment of principal and Interest (SPPI criteria) on principal outstanding on specified dates.
- Available for Sale (AFS) – The securities that are acquired with the objective of both collecting contractual cash flows and selling securities and the contractual terms of the securities meet the SPPI criteria.

  In case of equity instrument the Bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS.
- Fair Value through Profit and Loss (FVTPL) - The securities that do not qualify for inclusion in HTM or AFS are classified under FVTPL.

  Held for Trading (HFT) is treated as a separate investment sub-category within FVTPL.

6.2 Classification of Investments

Under each categorization, investments in India are further classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries, Associates and Joint Ventures and (vi) Other Investments.

Investments outside India are classified under three groups viz., (i) Government Securities (Including local authorities), (ii) Subsidiaries, Associates and/or Joint Ventures abroad and (iii) Other Investments.

6.3 Recognition and measurement

6.3.1 Initial recognition and measurement

- All investments are measured at fair value on initial recognition.
- Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, credit spread, etc.) any Day 1 gain/ loss are recognised in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments', as the case may be.
- Any Day 1 loss arising from Level 3 investments is recognised immediately.
- Any Day 1 gains arising from Level 3 investments are deferred. In the case of debt instruments, the Day 1 gain are amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

6.3.2 Subsequent measurement

- HTM - Securities held in HTM are carried at cost. Any discount or premium on the securities under HTM are amortised over the remaining life of the instrument. Any profit or loss on the sale of investments in HTM category is recognised in the Profit and Loss Account. The profit on sale of an investments in HTM is appropriated below the line from the Profit and Loss Account to the 'Capital Reserve Account'. The amount so appropriated is net of taxes and the amount required to be transferred to Statutory Reserve.
- AFS - The securities held in AFS are fair valued frequently not later than quarterly basis. Any discount or premium on the acquisition of debt securities under AFS are amortised over the remaining life of the instrument. The net appreciation or depreciation are directly credited or debited to AFS-Reserve. Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve are transferred from the AFS-Reserve and recognized in the Profit and Loss Account. In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on

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

6.3 Recognition and measurement (Contd.)

sale of such investments are not transferred from AFS-Reserve to the Profit and Loss Account. Instead, such gain or loss are transferred from AFS-Reserve to the Capital Reserve.

- FVTPL- The securities held in FVTPL are fair valued frequently not later than quarterly basis and the net gain or loss arising on such valuation are directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL are fair valued on a daily basis. Any discount or premium on the acquisition of debt securities under FVTPL are amortised over the remaining life of the instrument.

6.4 Investment fluctuation reserve (IFR)

RBI advised bank to create IFR with effect from FY19. As per RBI guidelines transfer to IFR will be not less than lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2% of the AFS and FVTPL (including HFT) portfolio, on a continuing basis.

6.5 Reclassifications between categories

Reclassification of investments between categories is carried out with approval of Board of Directors and prior approval of Department of Supervision (DoS), RBI. Any reclassification is applied prospectively from reclassification date. The Bank may reclassify investment only if such reclassification is necessitated by a significant change in managing group of investments.

6.6 Valuation of Investments

The fair value for the purpose of initial recognition and periodical valuation of investments is determined as per the valuation norms laid down in accordance with RBI guidelines.

6.6.1 Quoted Securities - The fair value for the quoted securities are the prices declared by the Financial Benchmarks India Private Ltd. (FBIL) in accordance with RBI circular FMRD.DIRD.7/14.03.025/2017-18 dated March 31, 2018, as amended from time to time. For securities whose prices are not published by FBIL, the fair value of the quoted security is based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA)

6.6.2 Unquoted SLR Securities

- Treasury Bills are valued at carrying cost.
- Unquoted Central / State Government securities are valued on the basis of the prices/ YTM rates published by the FBIL.
- Other approved securities are valued applying the YTM method by marking them up by 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by FBIL.

6.6.3 Unquoted Non-SLR Securities

- Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value for the purposes of these directions is the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the Company's latest audited balance sheet. In case the latest audited balance sheet is not available or is more than 18 months old, the shares are valued at ₹1 per company.
- Other unquoted Non-SLR securities - fair valuation is on the basis of the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2025, dated November 28, 2025.

6.6.4 In accordance with the RBI guidelines, repurchase and reverse repurchase transactions in government securities and corporate debt securities are reflected as borrowing and lending transactions respectively.

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

6.6.5 Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions are accounted for as interest income.

6.7 Fair Value Measurement

Fair value" means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Bank classifies its investment portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3 to signify the context of inputs used for valuation of a financial instrument., described as follows:

"Level 1 investments" are fair valued based on quoted prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date.

"Level 2 investments" are fair valued based on are those inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

"Level 3 investments" are fair valued at unobservable inputs such as valuation of equity shares in an unlisted company where break-up value has to be ascertained from the Company's latest audited balance sheet.

6.8 Broken period Interest

Broken period interest on debt instruments is charged to Profit and Loss Account.

6.9 Provision for non-performing investments

The criteria for classification and recognition of non-performing investments are as per the guidelines used to classify an asset as Non-Performing Asset (NPA) as per the extant Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances.

7 ADVANCES

I. Classification

7.1 Advances are classified as performing assets and non-performing assets ('NPAs') in accordance with the RBI guideline on Income Recognition and Asset Classification (IRAC). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. The advances are stated net of specific provisions made towards NPAs and unrealised interest on NPAs. Interest on NPAs is transferred to an interest suspense account and not recognised in the Profit and Loss Account until received.

II. Provisioning

7.2 Specific provisions for non-performing advances and floating provisions are made in conformity with the RBI guidelines.

7.3 In addition, the Bank considers accelerated provisioning based on past experience, evaluation of securities and other related factors.

7.4 Provisions on Standard Assets are made @ 0.40% of the outstanding advances. Further, as per the RBI guidelines, the standard asset provisioning on individual housing loans sanctioned on and after June 7, 2017, is made @ 0.25%. However, provision for banks direct advances to agriculture and SME sectors is made @ 0.25%, medium enterprises sector is made @ 0.4%, commercial real estate sector is made @ 1% and housing loans at teaser rates @ 2% in pursuance to the RBI circulars issued from time to time. Additionally, both General as well as Specific provisions for Project Finance Exposures are made in conformity with the rates prescribed under the RBI Project Finance Directions, 2025. Further the same is shown under the head 'Other Liabilities and Provisions'.

7.5 Amounts recovered during the year against bad debts written off in earlier years are credited to the Profit and Loss Account.

7.6 Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss Account to the extent such provisions were charged to the Profit and Loss Account.

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

II. Provisioning (Contd.)

7.7 In accordance with the RBI guidelines on the prudential framework for resolution of stressed assets and the resolution framework for COVID-19 related stress, the Bank in accordance with its Board approved policy, carried out one-time restructuring of eligible borrowers. The asset classification and necessary provisions thereon are done in accordance with the said RBI guidelines.

7.8 The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines. Provision for restructuring is considered at borrower level.

III. Priority Sector Lending Certificates (PSLCs)

The Bank enters into transactions for the sale/purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The net fee received for the sale of PSLCs is recorded as 'Miscellaneous Income' and the net expense paid on purchase of PSLC is recorded as 'Miscellaneous Expense'.

8 REVENUE RECOGNITION

Income is accounted on Accrual basis except in the following cases:

- Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of non-performing assets which is recognised when realised.
- Interest which remains overdue for 90 days on securities not covered by Government Guarantee is recognized on realization basis as per RBI guidelines.
- Commission (other than on Deferred Payment Guarantees and Government Transactions), Exchange and Brokerage are recognized on realization basis. However, Commission, Exchange and Brokerage on loan accounts is recognized as and when charged to the borrower account.
- Commission on Deferred Payment Guarantees and Government Transactions is recognised on straight-line basis over the period of contract.
- Dividend income is recognised on an accrual basis when the right to receive the dividend is established.
- Interest income on deposits with banks and other financial institutions are recognised on a time proportion accrual basis considering the amount outstanding and the rate applicable.
- Interest income on investments is recognised on accrual basis.
- Interest on Overdue Bills is recognized on realization basis as per the RBI guidelines.

9 EMPLOYEE BENEFITS

Employee benefits include Provident Fund, Gratuity, Compensated Absences and Share-based payments.

9.1 Provident Fund: The Bank is covered under the applicable provisions of the Code on Social Security, 2020, read with the rules framed thereunder, which subsume the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and accordingly contribution towards provident fund for certain employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as Defined Contribution Schemes as they fall due based on the amount of contribution required to be made on monthly basis, when the services are rendered by the employees. The contributions are charged to Profit and Loss Account.

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

9.2 Gratuity:

The Bank pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service in accordance with the applicable provisions of the Code on Social Security, 2020, and the rules framed thereunder, which subsume the provisions of the Payment of Gratuity Act, 1972. For contractual employees the benefits vest after one year and for permanent employees' benefits vest after five years of continuous service. Every employee is entitled to a benefit equivalent to 15 days' last drawn wages for each completed year of service/or part thereof in accordance with the provisions of the Code on Social Security, 2020.

The Gratuity expense for the period is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/ gains are recognized in the Profit and Loss Account in the year in which they arise.

Payment obligations under the Group Gratuity scheme are managed through a fund maintained by ICICI Prudential Life Insurance under separate Trust set up by the Bank.

9.3 Compensated absences:

The compensated absences is a long-term employee benefit in accordance with the provisions of the Code on Social Security, 2020 and AS 15 – Employee Benefits. Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method.

9.4 Share-based payments: The measurement and disclosure of Employee Stock Options is in accordance with Guidance Note on Accounting for Share-based Payments issued by the Institute of Chartered Accountants of India.

The cost of equity-settled transactions for stock options granted after the period ending March 31, 2021 is measured using the fair value method and for stock options granted prior to such period, is measured using the intrinsic value method.

The Bank uses Black-Scholes model to fair value the options on the grant date and the inputs used in the valuation model include assumptions such as the expected life of the share option, volatility and risk-free rate.

The deferred employee compensation cost is amortised on a straight-line basis over the vesting period of the option. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding. The expense or credit recognized in the profit and loss account for the period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

10 LEASE

10.1 Lease arrangements where risk and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases.

10.2 Lease rentals under operating lease are charged to the Profit and Loss account on straight line basis over the lease term in accordance with AS-19, Leases.

11 SEGMENT REPORTING

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

11.1 Business Segment

The Bank's business has been segregated into four segments namely Treasury, Wholesale Banking, Retail Banking and other Banking Operations.

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

11.1 Business Segment (Contd.)

11.1.1 **Treasury** - The treasury segment primarily consists of net interest earnings from the Bank's investment portfolio, borrowing and gains or losses on investment operations and on account of trading in foreign exchange contracts.

11.1.2 **Wholesale Banking** - Wholesale Banking includes lending, deposit taking and other services offered to wholesale customers.

11.1.3 **Retail Banking** - Retail Banking includes lending, deposit taking and other services offered to retail customers.

11.1.4 **Other Banking Operations** - This segment includes income from para banking activities.

11.2 Geographical Segment

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.

12 EARNINGS PER SHARE

12.1 The Bank reports basic and diluted earnings per equity share in accordance with the AS 20 (Earnings Per Share).

12.2 Basic earnings per share is calculated by dividing the Net Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

12.3 Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the year except when its results are anti-dilutive.

13 TAXES

Tax expenses comprise of current and deferred taxes.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax expense is determined in accordance with the provisions as per AS 22 - Accounting for Taxes on Income. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, 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; where there is unabsorbed depreciation and/or carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income. Current tax assets and liabilities and deferred tax assets and liabilities are off-set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off-set and when the Bank intends to settle on a net basis. Current tax assets and liabilities and deferred tax assets and liabilities are calculated at the rates u/s section 115BAA of the Income Tax Act, 1961. Accordingly, as per Section 115JB, Minimum Alternate Tax (MAT) is not applicable.

14 PROVISIONS AND CONTINGENT LIABILITIES & CONTINGENT ASSETS

14.1 As per AS 29 (Provisions, Contingent Liabilities and Contingent Assets), a provision is recognized when there is a present obligation as a result of past events 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 determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

14.2 A disclosure of contingent liability is made when there is:

- possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

14.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

14.4 Contingent assets, if any, are not recognized/ disclosed in the financial statements since this may result in the recognition of income that may never be realized.

14.5 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 in the financial statements. In case of remote possibility, neither provision nor disclosure is made in the financial statements.

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand (including balance in ATM), balances with the RBI, balances with other banks in current accounts and money at call and short notice.

16 TRANSACTION INVOLVING FOREIGN EXCHANGE

16.1 Accounting for transactions involving foreign exchange is done in accordance with Accounting Standard (AS) 11, "The Effects of Changes in Foreign Exchange Rates".

16.2 All transactions in foreign currency are recognized at the exchange rate as notified by the Foreign Exchange Dealers Association of India (FEDAI).

16.3 Foreign currency monetary items are reported using the exchange rate prevailing at the Balance Sheet date.

16.4 Non-monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate as notified by Foreign Exchange Dealers Association of India (FEDAI) at the date of transaction. Non-monetary items which are measured at Fair Value or other similar value denominated in a foreign currency are translated using the exchange rate at the date when such value is determined.

16.5 Exchange differences arising on settlement of monetary items or on reporting of such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

17 SHARE ISSUE EXPENSES

Share issue expenses are adjusted from Share Premium Reserve as permitted by Section 52 of the Companies Act, 2013.

18 CORPORATE SOCIAL RESPONSIBILITY

Expenditure towards corporate social responsibility, in accordance with The Companies Act, 2013, is recognized in the Profit and Loss Account.

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

SCHEDULE 18 - NOTES TO ACCOUNTS APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1 CAPITAL

1.1 Regulatory Capital

The Capital to risk-weighted asset ratio ('Capital Adequacy Ratio') of the Bank has been computed in accordance with the Reserve Bank of India ('RBI') circular no. RBI/DOR/2025-26/182 DOR.CAP.REC.101/21-01-002/2025-26, dated November 28, 2025, on "Prudential Norms on Capital Adequacy".

As on March 31, 2026, the Bank's Capital Adequacy Ratio stood at 22.31% (Previous year: 25.39%), well above the regulatory minimum requirement of 15% prescribed for Small Finance Banks by the RBI.

1.1.1 Composition of Regulatory Capital

(₹ in crores)

S. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1.	Common Equity Tier 1 Capital (CET 1)	1,403.11	1,296.90
2.	Additional Tier 1 Capital	-	-
3.	Tier 1 Capital (1+2)	1,403.11	1,296.90
4.	Tier 2 Capital	195.14	219.65
5.	Total Capital (Tier 1 + Tier 2)	1,598.25	1,516.55
6.	Total Risk Weighted Assets (RWAs)	7,165.01	5,972.53
7.	CET 1 Ratio (CET 1 as a percentage of RWAs)	19.58%	21.71%
8.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	19.58%	21.71%
9.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.73%	3.68%
10.	Capital to Risk Weighted Assets Ratio (Total Capital as a percentage of RWAs)	22.31%	25.39%
11.	Leverage Ratio	11.33%	12.56%
12.	Amount of paid-up equity capital raised during the year	0.17	0.20
13.	Amount of non-equity Tier 1 capital raised during the year, of which		
	(a) Perpetual Non-Cumulative Preference Shares	-	-
	(b) Perpetual Debt Instruments	-	-
14.	Amount of Tier 2 capital raised during the year, of which		
	(a) Debt Capital Instruments	-	-
	(b) Perpetual Non-Cumulative Preference Shares	-	-
	(c) Perpetual Debt Instruments	-	-

1.1.2 Tier I Capital Infusion

During the year ended March 31, 2026, the Bank has allotted 1,71,834 equity shares (2,04,417 equity shares during the year ended March 31, 2025) to employees of the Bank in form of employee stock options as per the ESOP plan of the Bank.

1.1.3 Tier 2 Capital Issuance/Maturity/Redemption

Issuance

The Bank has not raised any Tier II Capital during the year ended March 31, 2026 and March 31, 2025.

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

Maturity/Redemption

During the year ended March 31, 2026, the following Unsecured Redeemable Non-Convertible Lower & Upper Tier II Bonds have matured/redeemed:

(₹ in crores)

Series	Date of Maturity/ Redemption	ISIN	Coupon (%)	Amount
Lower Tier II Bonds Series XII	February 17, 2026	INE646H08178	10.50%	12.00
Upper Tier II Bonds Series XI*	March 31, 2026	INE646H08012	11.75%	14.00
Upper Tier II Bonds Series XIII*	March 30, 2026	INE646H08020	11.75%	25.00

**The Bonds were redeemed (early redemption) pursuant to exercise of call option.*

During the year ended March 31, 2025, the following Unsecured Redeemable Non-Convertible Lower Tier II Bonds have matured/redeemed:

(₹ in crores)

Series	Date of Maturity/ Redemption	ISIN	Coupon (%)	Amount
Lower Tier II Bonds Series X	May 24, 2024	INE646H08095	11%	9.47

1.1.4 Maturity Profile of total bonds outstanding as on March 31, 2026:

Unsecured Redeemable Non-Convertible Lower Tier II Bonds

(₹ in crores)

Series	ISIN	Amount	Maturity Date
9.75% Tier II Bonds Series XIV	INE646H08160	15.90	November 25, 2026
9.25% Tier II Bonds Series XV	INE646H08152	20.95	May 15, 2028
10% Tier II Bonds Series XVI	INE646H08103	18.00	February 28, 2029
10% Tier II Bonds Series XVII	INE646H08129	22.50	March 31, 2029
9.25% Tier II Bonds Series XVIII	INE646H08186	31.40	November 18, 2030
9.25% Tier II Bonds Series XIX	INE646H08194	31.35	June 29, 2031
9.25% Tier II Bonds Series XX	INE646H08202	32.17	May 12, 2032
10% Lower Tier II Bonds Series XXI	INE646H08210	30.99	May 26, 2033
TOTAL		**203.26**	

1.1.5 Proposed Dividend

For the year ended March 31, 2026, the Board of Directors, in the meeting held on April 29, 2026 recommended a dividend of ₹5.00 per equity share (₹4.00 per equity share for the year ended March 31, 2025) having face value of ₹10 each. The recommendation made is in accordance with the guidelines issued by the Reserve Bank of India on declaration of dividend by banks.

According to the AS 4 - 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through Companies (Accounting Standards) Rules, 2021, the Bank has not accounted proposed dividend (including tax) as a liability. However, the proposed dividend has been considered as a deduction while computing capital funds for the purpose of Capital Adequacy Ratio calculation.

1.1.6 Drawdown from Reserves

There has been no draw down from reserves during the year ended March 31, 2026 and March 31, 2025 other than those disclosed under Schedule 2.

2 ASSET LIABILITY MANAGEMENT

2.1 Maturity Pattern of certain items of Assets & Liabilities as on March 31, 2026 and as on March 31, 2025

(₹ in crores)

Particulars	Year	Day 1	2 to 7 Days	8 to 14 days	15 to 30 Days	31 days to 2 Months	over 2 months and to 3 months	over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 Years	Total
Loans & Advances	March 2026	210.33	141.64	159.10	181.89	89.65	105.39	398.04	527.64	3,912.63	1,088.68	1,757.42	**8,572.41**
	March 2025	288.53	224.69	224.18	228.48	70.70	81.48	230.59	397.39	3,077.46	852.99	1,413.90	**7,090.39**
Investment	March 2026	275.97	19.13	10.76	75.45	43.36	46.97	82.55	99.99	805.45	163.06	350.45	**1,973.14**
	March 2025	371.48	14.32	10.81	63.29	37.54	46.22	49.84	73.30	702.19	144.18	306.28	**1,819.45**
Deposits	March 2026	216.12	122.88	127.06	530.62	276.99	340.61	631.77	545.18	4,431.62	893.02	1,901.78	**10,017.65**
	March 2025	232.85	66.43	49.60	354.40	245.38	256.17	478.06	556.87	3,839.50	719.92	1,523.42	**8,322.60**
Borrowing	March 2026	-	-	5.83	-	8.00	-	13.83	69.57	236.28	71.40	94.52	**499.43**
	March 2025	-	-	1.82	-	26.97	3.61	3.33	16.59	41.90	75.45	150.91	**320.58**
Foreign Currency Assets	March 2026	-	-	-	-	-	-	-	-	-	-	-	**-**
	March 2025	-	-	-	-	-	-	-	-	-	-	-	**-**
Foreign Currency Liabilities	March 2026	-	-	-	-	-	-	-	-	-	-	-	**-**
	March 2025	-	-	-	-	-	-	-	-	-	-	-	**-**

Classification of Assets and Liabilities under the maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the Reserve Bank of India.

2.2 Liquidity Coverage Ratio (LCR)

Qualitative Disclosure

The Liquidity Coverage Ratio (LCR) is a key regulatory measure designed to ensure that banks maintain an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be readily converted into cash with little or no loss of value, to meet liquidity needs under a 30-day stress scenario.

2.2 Liquidity Coverage Ratio (LCR) (Contd.)

The LCR is expressed as the ratio of the Bank's stock of HQLA to its total net cash outflows over the next 30 calendar days under a stressed scenario. The minimum LCR requirement prescribed by the Reserve Bank of India (RBI) is 100%, effective from January 01, 2021, as per the RBI's guidelines on Basel Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools, and LCR Disclosure Standards applicable to banks in India.

For the quarter ended March 31, 2026, the Bank maintained an average HQLA of ₹2,173.45 crores, against average net cash outflows of ₹1,216.91 crores, resulting in an average LCR of 178.60%, significantly above the regulatory threshold.

The entire HQLA maintained by the Bank comprised Level 1 HQLA, primarily consisting of:

- Government securities held in excess of the minimum Statutory Liquidity Ratio (SLR), as permitted under the Marginal Standing Facility (MSF) and Facility to Avail Liquidity for LCR (FALLCR);
- Cash and balances maintained with the RBI in excess of the minimum Cash Reserve Ratio (CRR) requirements.

In calculating the LCR, the Bank has duly considered all expected cash inflows and outflows with quantifiable impact under a 30-day liquidity stress scenario, in line with regulatory guidelines. The Bank continues to maintain a strong liquidity position, supported by a robust portfolio of high-quality liquid assets and prudent liquidity risk management practices.

Quantitative Disclosure

The table below sets out the average LCR of the Bank for year ended March 2026 and all the four quarters of financial year 2025-26:

(₹ in crores)

Liquidity Coverage Ratio (LCR)	Quarter Ended June 30, 2025		Quarter Ended Sept 30, 2025		Quarter Ended Dec 31, 2025		Quarter Ended March 31, 2026	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets								
1 **Total High Quality Liquid Assets (HQLA)**		2,259.67		2,239.94		2,540.50		2,173.45
Cash Outflows								
2 **Retail deposits and deposits from small business customers, of which:**								
(i) Stable deposits	2,086.54	104.33	2,078.04	103.90	2,164.24	108.21	2,213.45	110.67
(ii) Less stable deposits	5,013.03	501.30	5,208.80	520.87	5,527.34	552.74	5,629.69	562.98
3 **Unsecured wholesale funding, of which:**								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	830.82	461.37	1,000.86	504.45	1,181.20	580.75	1,344.02	655.44
(iii) Unsecured debt	-	-	-	-	-	-	-	-

2.2 Liquidity Coverage Ratio (LCR) (Contd.)

(₹ in crores)

Liquidity Coverage Ratio (LCR)		Quarter Ended June 30, 2025		Quarter Ended Sept 30, 2025		Quarter Ended Dec 31, 2025		Quarter Ended March 31, 2026	
		Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
4	**Secured wholesale funding**								
5	**Additional requirements, of which**								
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	781.48	69.87	781.02	67.47	822.05	66.32	853.37	72.68
6	**Other contractual funding obligations**	159.89	159.89	128.77	128.77	156.91	156.91	178.47	178.47
7	**Other contingent funding obligations**	74.41	2.43	81.00	2.67	45.20	1.65	100.40	3.25
8	**Total Cash Outflows**		**1,299.19**		**1,328.13**		**1,466.58**		**1,583.49**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	18.18	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	88.85	64.44	92.63	68.35	97.97	71.75	107.81	79.89
11	Other cash inflows	182.45	182.44	306.10	306.10	217.77	217.77	286.69	286.69
12	**Total Cash Inflows**		**246.88**		**374.45**		**289.52**		**366.58**
13	**Total HQLA**		**2,259.67**		**2,239.94**		**2,540.50**		**2,173.45**
14	**Total Net Cash Outflows**		**1,052.31**		**953.68**		**1,177.06**		**1,216.91**
15	**Liquidity Coverage Ratio (%)**		**214.73%**		**234.87%**		**215.83%**		**178.60%**

*The average weighted and unweighted amounts have been calculated considering simple average based on daily observation for the respective quarters.

2.2 Liquidity Coverage Ratio (LCR) (Contd.)

The table below sets out the average LCR of the Bank for year ended March 2025 and all the four quarters of financial year 2024-25:

(₹ in crores)

Liquidity Coverage Ratio (LCR)		Quarter Ended June 30, 2024		Quarter Ended Sept 30, 2024		Quarter Ended Dec 31, 2024		Quarter Ended March 31, 2025	
		Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets									
1	**Total High Quality Liquid Assets (HQLA)**		2,066.12		2,018.34		2,327.60		2,265.24
Cash Outflows									
2	**Retail deposits and deposits from small business customers, of which:**								
	(i) Stable deposits	1,956.05	97.80	1,846.65	92.33	1,884.20	94.21	2,032.85	101.64
	(ii) Less stable deposits	4,502.60	450.26	4,711.82	471.18	4,989.11	498.91	4,868.44	486.84
3	**Unsecured wholesale funding, of which:**								
	(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	(ii) Non-operational deposits (all counterparties)	740.76	425.59	683.96	365.77	707.54	369.56	733.81	379.69
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	**Secured wholesale funding**								
5	**Additional requirements, of which**								
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	664.96	50.83	647.20	49.80	689.90	56.57	725.00	58.48
6	**Other contractual funding obligations**	76.30	76.30	66.92	66.92	71.19	71.19	177.54	177.54
7	**Other contingent funding obligations**	64.75	2.10	65.88	2.15	67.80	2.21	72.88	2.38
8	**Total Cash Outflows**		**1,102.88**		**1,048.15**		**1,092.65**		**1,206.57**

2.2 Liquidity Coverage Ratio (LCR) (Contd.)

(₹ in crores)

Liquidity Coverage Ratio (LCR)		Quarter Ended June 30, 2024		Quarter Ended Sept 30, 2024		Quarter Ended Dec 31, 2024		Quarter Ended March 31, 2025	
		Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
Cash Inflows									
9	Secured lending (e.g. reverse repos)	104.45	-	53.26	-	309.79	-	167.34	-
10	Inflows from fully performing exposures	87.82	59.43	66.14	48.13	74.54	54.02	83.06	60.28
11	Other cash inflows	94.71	84.88	155.59	151.81	68.48	65.39	233.89	231.67
12	**Total Cash Inflows**	**286.98**	**144.31**	**274.99**	**199.94**	**452.81**	**119.41**	**484.29**	**291.95**
13	**Total HQLA**		**2,066.12**		**2,018.34**		**2,327.61**		**2,265.24**
14	**Total Net Cash Outflows**		**958.57**		**848.21**		**973.25**		**914.62**
15	**Liquidity Coverage Ratio (%)**		**215.54%**		**237.95%**		**239.16%**		**247.67%**

*The average weighted and unweighted amounts have been calculated considering simple average based on daily observation for the respective quarter.

3 INVESTMENTS

3.1 Composition of investment portfolio

(₹ in crores)

Particulars		Year ended March 31, 2026							Year ended March 31, 2025						
		HTM		AFS	FVTPL		Associates & JVs		HTM		AFS	FVTPL		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	1,360.30	1,355.73	607.34	-	-			1,352.18	1,378.21	463.07	-	-		
	(ii) Other approved securities	-	-	-	-	-			-	-	-	-	-		
	(iii) Shares	-	-	5.50	-	-			-	-	4.21	-	-		
	(iv) Debentures and Bonds	-	-	-	-	-									
	(v) Associates and joint ventures						-	-						-	-
	(vi) Others	-	-	-	-	-			-	-	-	-	-		
	Total	**1,360.30**	**1,355.73**	**612.84**	**-**	**-**	**-**	**-**	**1,352.18**	**1,378.21**	**467.28**	**-**	**-**	**-**	**-**
	Less: Provisions for impairment / NPI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Net	**1,360.30**	**1,355.73**	**612.84**	**-**	**-**	**-**	**-**	**1,352.18**	**1,378.21**	**467.28**	**-**	**-**	**-**	**-**
II.	**Investments outside India**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Government securities (including local authorities)	-	-	-	-	-			-	-	-	-	-		
	(ii) Associates and joint ventures						-	-						-	-
	(iii) Other investments	-	-	-	-	-			-	-	-	-	-		
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Less: Provisions for impairment / NPI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total investments (I+II)	**1,360.30**	**1,355.73**	**612.84**	**-**	**-**	**-**	**-**	**1,352.18**	**1,378.21**	**467.28**	**-**	**-**	**-**	**-**

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

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

(₹ in crores)

Particulars	Year ended March 31, 2025																
	AFS					FVTPL											
	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	463.07	-	-	463.07		-	-	-	-		-	-	-	-			
(ii) Other approved securities	-	-	-	-		-	-	-	-		-	-	-	-			
(iii) Shares	-	-	4.21	4.21		-	-	-	-		-	-	-	-			
(iv) Debentures and Bonds	-	-	-	-		-	-	-	-		-	-	-	-			
(v) Associates and Joint Ventures	-	-	-	-		-	-	-	-		-	-	-	-			
(vi) Others	-	-	-	-		-	-	-	-		-	-	-	-			
Total	**463.07**	-	**4.21**	**467.28**		-	-	-	-		-	-	-	-			
II. Investments outside India																	
(i) Government securities (including local authorities)	-	-	-	-		-	-	-	-		-	-	-	-			
(ii) Associates and Joint Ventures	-	-	-	-		-	-	-	-		-	-	-	-			
(ii) Other investments	-	-	-	-		-	-	-	-		-	-	-	-			
Total	-	-	-	-		-	-	-	-		-	-	-	-			
Total investments (I+II)	**463.07**	-	**4.21**	**467.28**		-	-	-	-		-	-	-	-			

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

3.3 Net gains / (losses) on Level 3 financial instruments recognized in AFS-Reserve and Profit and Loss Account

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Recognized in AFS Reserve	0.97	0.73
Recognized in Profit and Loss Account	-	-

3.4 Details of sales made out of HTM:

(₹ in crores)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A	Opening carrying value of securities in HTM	1,352.18	1,316.12
B	Carrying value of all HTM securities sold during the year	-	-
C	Less: Carrying values of securities sold under situations exempted from regulatory limit	-	-
D	Carrying value of securities sold (D=B-C)	-	-
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	-	-
F	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	-	-

3.5 Reclassification between categories of investments

In terms of Reserve Bank of India (Small Finance Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025, the Bank has not done any reclassification of investments from one category to another category during the year ended March 31, 2026 and March 31, 2025.

3.6 Movement of Provisions for non-performing investments (NPIs) and Investment Fluctuation Reserve

(₹ in crores)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
i.	**Movement of provisions held towards NPIs**		
	a) Opening balance	-	-
	b) Add: Provisions made during the year	-	-
	c) Less: Write off/write back of excess provisions during the year	-	-
	d) Closing balance	-	-
ii.	**Movement of Investment Fluctuation Reserve**		
	a) Opening balance	9.35	7.80
	b) Add: Amount transferred during the year	2.96	1.60
	c) Less: Drawdown	-	(0.05)
	d) Closing balance	12.31	9.35
iii.	**Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL (including HFT) category**	**2.01%**	**2.00%**

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

3.7 Non-SLR Investment Portfolio

3.7.1 Issuer composition of Non-SLR investments

Year ended March 31, 2026

(₹ in crores)

S. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1.	2.	3.	4.	5.	6.	7.
i.	PSUs	-	-	-	-	-
ii.	FIs	-	-	-	-	-
iii.	Banks	-	-	-	-	-
iv.	Private Corporates	5.50	5.50	-	-	5.50
v.	Subsidiaries/Joint Ventures	-	-	-	-	-
vi.	Others	-	-	-	-	-
vii.	Provision held towards NPI	-	-	-	-	-
	Total	**5.50**	**5.50**	**-**	**-**	**5.50**

As on March 31, 2025

(₹ in crores)

S. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1.	2.	3.	4.	5.	6.	7.
i.	PSUs	-	-	-	-	-
ii.	FIs	-	-	-	-	-
iii.	Banks	-	-	-	-	-
iv.	Private Corporates	4.21	4.21	-	-	4.21
v.	Subsidiaries/Joint Ventures	-	-	-	-	-
vi.	Others	-	-	-	-	-
vii.	Provision held towards NPI	-	-	-	-	-
	Total	**4.21**	**4.21**	**-**	**-**	**4.21**

3.7.2 Non-performing non-SLR investments

The Bank does not have any non-performing non-SLR investment during the year ended March 31, 2026 and March 31, 2025.

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

3.8 Repo Transactions

During the year ended March 31, 2026

The Bank has undertaken MSF, Tri-party repo/reverse repo, Automated Sweep In Sweep Out (ASISO) during the year with Clearing Corporation of India Ltd. (CCIL) and the Reserve Bank of India (RBI) as part of money market operations.

(₹ in crores)

Particulars	Minimum Outstanding during the Year		Maximum Outstanding during the Year		Daily Average outstanding during the Year		Outstanding as on March 31, 2026	
	FV	MV	FV	MV	FV	MV	FV	MV
Securities sold under repo:								
1. Government Securities	-	-	-	-	-	-	-	-
2. Corporate Debt Securities	-	-	-	-	-	-	-	-
3. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo:								
1. Government Securities	199.97	200.00	199.97	200.00	0.55	0.55	-	-
2. Corporate Debt Securities	-	-	-	-	-	-	-	-
3. Any other securities	-	-	-	-	-	-	-	-

FV denotes Face Value and MV denotes Market Value.

During the year ended March 31, 2025

The Bank has undertaken MSF, Tri-party repo/reverse repo, Automated Sweep In Sweep Out (ASISO) and Long Term Repo transactions during the year with Clearing Corporation of India Ltd. (CCIL) and RBI as part of money market operations.

(₹ in crores)

Particulars	Minimum Outstanding during the Year		Maximum Outstanding during the Year		Daily Average outstanding during the Year		Outstanding as on March 31, 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
Securities sold under repo:								
1. Government Securities	15.00	15.00	79.99	80.00	1.93	1.93	-	-
2. Corporate Debt Securities	-	-	-	-	-	-	-	-
3. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo:								
1. Government Securities	29.99	30.00	649.88	650.00	110.66	110.70	-	-
2. Corporate Debt Securities	-	-	-	-	-	-	-	-
3. Any other securities	-	-	-	-	-	-	-	-

FV denotes Face Value and MV denotes Market Value

Notes:

1. Minimum outstanding has been computed by considering only the days with actual borrowing/lending (i.e., zero outstanding days have been ignored).
2. Daily average outstanding has been computed over the full financial year, including days with nil outstanding.

3.9 Government Security Lending (GSL) transactions (in market value terms)

The Bank has not dealt into any GSL transaction during the year ended March 31, 2026 and March 31, 2025.

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

4 ASSET QUALITY

4.1 Classification of advances and provisions held

As on March 31, 2026

(₹ in crores)

Particulars	Standard	Non-performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening balance	6,998.55	46.06	139.06	0.22	185.34	7,183.89
Add: Additions during the year					112.80	
Less: Reductions during the year*					77.73	
Closing balance	**8,466.36**	**70.03**	**150.16**	**0.22**	**220.41**	**8,686.77**
*Reductions in Gross NPAs due to:						
i) Upgradation					47.47	
ii) Recoveries (excluding recoveries from upgraded accounts)					29.48	
iii) Technical/Prudential Write Offs					-	
iv) Write Offs other than those under (iii) above					0.78	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	30.34#	8.78	84.50	0.22	93.50	123.84
Add: Fresh provisions made during the year					41.43	
Less: Excess provision reversed/ Write-off loans					20.57	
Closing balance of provisions held	**34.18#**	**15.96**	**98.18**	**0.22**	**114.36**	**148.54**
Net NPAs						
Opening balance		37.28	54.56	-	91.84	
Add: Fresh additions during the year					71.36	
Less: Reductions during the year					57.16	
Closing balance		**54.06**	**51.98**	**0.00**	**106.04**	
Floating Provisions						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-

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

4.1 Classification of advances and provisions held (Contd.)

(₹ in crores)

Particulars	Standard	Non-performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-offs accounts						-
Add: Technical/Prudential write-offs during the year						-
Less: Recoveries made from previously technical/prudential written-off accounts during the year						-
Closing balance						-

#During the year ended March 31, 2026, the general provision against standard assets includes provision of ₹4.53 crores (₹6.47 crores during the previous year) created in accordance with RBI Circular "Micro, Small and Medium Enterprises (MSME) sector –Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued on August 06, 2020 and May 05, 2021.

As on March 31, 2025

(₹ in crores)

Particulars	Standard	Non-performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening balance	5,989.62	47.32	122.75	0.11	170.18	6,159.80
Add: Additions during the year					84.43	
Less: Reductions during the year*					69.27	
Closing balance	**6,998.55**	**46.06**	**139.06**	**0.22**	**185.34**	**7,183.89**
*Reductions in Gross NPAs due to:						
i) Upgradation					45.04	
ii) Recoveries (excluding recoveries from upgraded accounts)					23.72	
iii) Technical/Prudential Write Offs					-	
iv) Write Offs other than those under (iii) above					0.51	

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

4.1 Classification of advances and provisions held (Contd.)

(₹ in crores)

Particulars	Standard	Non-performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	28.44#	10.26	74.73	0.11	85.10	113.54
Add: Fresh provisions made during the year					26.30	
Less: Excess provision reversed/ Write-off loans					17.90	
Closing balance of provisions held	**30.34#**	**8.78**	**84.50**	**0.22**	**93.50**	**123.84**
Net NPAs						
Opening balance		37.06	48.02	-	85.08	
Add: Fresh additions during the year					58.13	
Less: Reductions during the year					51.37	
Closing balance		**37.28**	**54.56**	**-**	**91.84**	
Floating Provisions						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-offs accounts						-
Add: Technical/Prudential write-offs during the year						-
Less: Recoveries made from previously technical/prudential written-off accounts during the year						-
Closing balance						-

#During the year ended March 31, 2025, the general provision against standard assets includes provision of ₹6.47 crores (₹8.22 crores during the previous year) created in accordance with RBI Circular "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued on August 06, 2020 and May 05, 2021

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

4.2 Sector-wise Advances and Gross NPAs

(₹ in crores)

Sr. No.	Sector	Year ended March 31, 2026			Year ended March 31, 2025		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A)	**Priority Sector**						
1	Agriculture & allied activities	2,451.76	117.29	4.78%	2,334.60	89.44	3.83%
2	Advances to industries sector eligible as priority sector lending of which:	436.87	7.70	1.76%	279.78	9.03	3.23%
	- *advances to Textile Industry*	48.76	6.63	13.60%	33.12	7.09	21.41%
	- *advances to Iron/Steel and Metal Industry*	38.89	-	-	31.11	0.08	0.26%
3	Services of which:	1,651.47	23.73	1.44%	1,127.82	26.88	2.38%
	- *advances to Traders*	1,011.20	9.72	0.96%	700.43	11.50	1.64%
	- *advances to Transporters*	186.92	8.87	4.75%	124.04	8.22	6.63%
4	Personal Loans	-	-	-	-	-	-
5	Others	555.80	12.75	2.29%	394.28	5.47	1.39%
	Sub-total (A)	**5,095.90**	**161.47**	**3.17%**	**4,136.48**	**130.82**	**3.16%**
B)	**Non - Priority Sector**						
1	Agriculture & allied activities	-	-	-	-	-	-
2	Industry of which:	11.08	0.68	6.14%	-	-	-
	- *advances to Textile Industry*	2.67	0.05	1.99%	0.78	0.05	6.79%
3	Services of which:	70.08	10.33	14.74%	58.37	11.13	19.07%
	- *advances to Traders*	51.44	10.33	20.09%	45.20	11.13	24.62%
	- *advances to Transporters*	18.65	-	-	12.46	-	-
4	Personal Loans	4.85	1.29	26.50%	5.02	1.29	25.70%
5	Others of which:	3,504.86	46.64	1.33%	2,984.02	42.10	1.41%
	- *advances to NBFCs*	1,198.35	15.64	1.31%	893.84	5.80	0.65%
	Sub-Total (B)	**3,590.87**	**58.94**	**1.64%**	**3,047.41**	**54.52**	**1.79%**
	TOTAL (A+B)	**8,686.77**	**220.41**	**2.54%**	**7,183.89**	**185.34**	**2.58%**

4.3 Restructuring of Accounts

4.3.1 Disclosure on Prudential Framework as per Reserve Bank of India (Small Finance Bank – Resolution of Stressed Assets) Directions, 2025 dated November 28, 2025 as amended from time to time.

The Bank has not restructured any account under the framework during the year ended March 31, 2026 and March 31, 2025.

4.3.2 Restructuring under "Resolution Framework – 1.0: Resolution Framework for COVID-19-related Stress" and "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" is as under:

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

4.3 Restructuring of Accounts (Contd.)

During the year ended March 31, 2026:

(₹ in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as on September 30, 2025 (A)[1]	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2026	Of (A) amount written off during the half-year ended March 31, 2026	Of (A) amount paid by the borrowers during the half-year ended March 31, 2026[2]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as on March 31, 2026
Personal Loans	10.66	-	-	1.37	9.29
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	0.49	-	-	0.09	0.40
Total	**11.15**	**-**	**-**	**1.46**	**9.69**

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

[1]includes requests received till September 30, 2021 implemented subsequently

[2]Net of increase in exposure during the period

During the year ended March 31, 2025:

(₹ in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as on September 30, 2024 (A)[1]	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025	Of (A) amount written off during the half-year ended March 31, 2025	Of (A) amount paid by the borrowers during the half-year ended March 31, 2025[2]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as on March 31, 2025
Personal Loans	12.92	0.22	-	0.89	11.81
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	0.89	-	-	0.12	0.77
Total	**13.81**	**0.22**	**-**	**1.01**	**12.58**

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

[1]includes requests received till September 30, 2021 implemented subsequently

[2]Net of increase in exposure during the period

4.4 Divergence in the asset classification and provisioning for NPAs

For the reference year ended March 31, 2025, the Inspection & Risk Assessment was conducted by the RBI under Section 35 of Banking Regulation Act 1949.The report is yet to come.

4.5 Details of loans transferred/acquired under the master directions of the Reserve Bank of India on Small Finance Banks-Financial Statements: Presentation and Disclosures Directions dated November 28, 2025 and as amended thereafter

The Bank has not transferred/acquired any stressed loan or loan not in default during the year ended March 31, 2026 and March 31, 2025.

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

4.6 Disclosure as per 'Reserve Bank of India (Small Finance Banks - Financial Statements: Presentation and Disclosures) Directions, 2025' dated November 28, 2025 and as amended thereafter, on project under implementation is given below:

For the year ended March 31, 2026 (from date of applicability i.e. October 01, 2025):

(₹ in crores)

Sl. No	Item Description	Number of accounts	Total outstanding
1	Projects under implementation accounts as on October 01, 2025	17	53.44
2	Projects under implementation accounts sanctioned during period from October 01, 2025 to March 31, 2026	20	51.13
3	Projects under implementation accounts where DCCO has been achieved during the period October 01, 2025 to March 31, 2026	2	3.20
4	Projects under implementation accounts as on March 31, 2026 (1+2-3)	35	101.37
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.	1	1.23
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	1	1.23
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.	1	1.23
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 pre- sanctioned 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.	-	-

**Represents gross advances as on March 31, 2026*

4.7 Ratios

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Gross NPA to Gross Advances (%)	2.54%	2.58%
Net NPA to Net Advances (%)	1.24%	1.30%
Provision Coverage Ratio (%)	51.89%	50.45%

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

4.8 Disclosure under Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business, grants loans and advances, makes investments, provides guarantees, to and accepts deposits and borrowings from its customers and borrowing from entities. These transactions are part of Bank's normal banking business, which is conducted ensuring adherence to all regulatory requirements and bank's internal policies as applicable.

Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or securities 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 lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries).

The Bank has not received any fund from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

4.9 Disclosure related to Non-Fund (NFB) Credit Facilities:

Particulars		Year ended March 31, 2026		Year ended March 31, 2025	
		Secured Portion	Unsecured Portion	Secured Portion	Unsecured Portion
I	Outstanding Guarantees				
	i) In India	93.58	-	66.20	-
	ii) Outside India	-	-	-	-
II	Acceptances, Endorsements and other Obligations	-	-	1.54	-
III	Other NFB Credit facilities	-	-	-	-

4.10 Fraud Accounts

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Number of frauds reported	-	1
Amount involved in fraud (₹ in crores)	-	0.11
Amount of provision made for such frauds (₹ in crores)	-	0.11
Amount of unamortized provision debited from other/general reserves as at the end of the year (₹ in crores)	-	-

4.11 Sale of Financial Asset under Securitization/Asset Reconstruction

The Bank has not sold any financial asset to Securitization/ Reconstruction Company for Asset Reconstruction during the year ended March 31, 2026 and March 31, 2025.

4.12 Sale/Purchase of Non-performing financial assets

The Bank has not purchased/sold any non-performing financial assets from/to other banks during the year ended March 31, 2026 and March 31, 2025.

4.13 Letter of comfort

The Bank has not issued any letter of comfort during the year ended March 31, 2026 and year ended March 31, 2025.

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

5 EXPOSURES

5.1 Exposure to Real Estate Sector

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
1. 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;	-	-
a. Individual Housing Loans eligible for inclusion in Priority Sector advances	566.44	396.42
b. Others	1,159.73	1,135.02
ii. Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (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.).	534.13	439.24
iii. Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –	-	-
a. Residential	-	-
b. Commercial Real Estate	-	-
2. Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	112.16	122.17
Total Exposure to Real Estate Sector	**2,372.46**	**2,092.85**

5.2 Exposure to Capital Market

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
i. direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	5.50	4.21
ii. advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	-	-
iii. advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-

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

5.2 Exposure to Capital Market (Contd.)

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
vi. loans sanctioned to corporates against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. bridge loans to companies against expected equity flows/issues;	-	-
viii. underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix. financing to stockbrokers for margin trading;	-	-
x. all exposures to venture capital funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	**5.50**	**4.21**

Pursuant to the Reserve Bank of India (RBI) Master Direction-Small Finance Banks-Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2025, dated November 28, 2025 as amended from time to time, the Bank has recognized the exposure for the securities mentioned in i. above at fair market value.

5.3 Risk Category Wise Country Exposure

The Bank is operating in the state of Punjab, Union Territory of Chandigarh, Haryana, Rajasthan, Himachal Pradesh, Delhi and Jammu region of Union Territory of Jammu & Kashmir. Hence, the Bank does not have any country risk exposure.

5.4 Unsecured Advances against intangible securities

The Bank has not extended any advance against intangible securities such as charge over the rights, licenses, authority etc. during the year ended March 31, 2026 and March 31, 2025.

5.5 Details of factoring exposure

The factoring exposure of the Bank as at March 31, 2026 and March 31, 2025 is Nil.

5.6 Intra group exposure

The Bank has no intra group exposure during the year ended March 31, 2026 and March 31, 2025.

5.7 Unhedged Foreign currency exposure

The Bank does not have any unhedged foreign currency exposure as on March 31, 2026 and on March 31, 2025.

5.8 Loan against gold and silver collateral

5.8.1 Details of loans extended against eligible gold and silver collateral during the year ended March 31, 2026

Particulars	Loan outstanding		Average ticket size (₹ crores)	Average LTV ratio	Gross NPA (%)
	₹ crores	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	6.66	100.00%	0.03	60.86	2.27%
(a) Consumption loans	3.22	48.29%	0.02	62.22	0.08%
of which bullet repayment loans	0.30	4.47%	0.01	52.29	0.00%
(b) Income generating loans	3.44	51.71%	0.03	58.59	4.31%

5.8 Loan against gold and silver collateral (Contd.)

Particulars	Loan outstanding		Average ticket size (₹ crores)	Average LTV ratio	Gross NPA (%)
	₹ crores	As % of Total Loans			
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	7.67	100.00%	0.04	56.29	NA
(c) Consumption loans	3.29	42.89%	0.03	58.70	NA
of which bullet repayment loans	0.10	1.30%	0.01	44.39	NA
(d) Income generating loans	4.38	57.11%	0.04	53.90	NA
3. Renewals sanctioned and disbursed during the FY	-	-	-	-	NA
4. Top-up loans sanctioned and disbursed during the FY	-	-	-	-	NA
5. Loans repaid during the FY [(e)+(f)]	6.92	100.00%	0.03	NA	NA
(e) Consumption loans	2.77	40.08%	0.02	NA	NA
of which bullet repayment loans	0.32	4.62%	0.01	NA	NA
(f) Income generating loans	4.15	59.92%	0.03	NA	NA
6. Non-Performing Loans recovered during the FY [(g)+(h)]	0.15	100.00%	0.03	NA	NA
(g) Consumption loans	0.08	52.33%	0.02	NA	NA
of which bullet repayment loans	0.01	9.06%	0.01	NA	NA
(h) Income generating loans	0.07	47.67%	0.06	NA	NA
7. Loans written off during the FY [(i)+(j)]	-	-	-	NA	NA
(i) Consumption loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8. Closing balance at the end of FY [(k)+(l)]	6.16	100.00%	0.04	57.66	2.41%
(k) Consumption loans	2.73	44.34%	0.03	60.37	0.00%
of which bullet repayment loans	0.07	1.14%	0.01	43.51	0.00%
(l) Income generating loans	3.43	55.66%	0.04	53.70	4.33%

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

5.8 Loan against gold and silver collateral (Contd.)

Details of loans extended against eligible gold and silver collateral during the year ended March 31, 2025

Particulars	Loan outstanding		Average ticket size (₹ crores)	Average LTV ratio	Gross NPA (%)
	₹ crores	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	8.61	100.00%	0.02	61.76	3.03%
(a) Consumption loans	3.43	39.83%	0.02	62.54	1.57%
of which bullet repayment loans	0.30	3.53%	0.01	54.51	0.00%
(b) Income generating loans	5.18	60.17%	0.03	60.99	4.00%
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	9.45	100.00%	0.03	59.43	NA
(c) Consumption loans	4.24	44.90%	0.02	59.36	NA
of which bullet repayment loans	0.31	3.24%	0.01	53.50	
(d) Income generating loans	5.21	55.10%	0.04	59.51	NA
3. Renewals sanctioned and disbursed during the FY	-	-	-	-	NA
4. Top-up loans sanctioned and disbursed during the FY	-	-	-	-	NA
5. Loans repaid during the FY [(e)+(f)]	10.11	100.00%	0.03	NA	NA
(e) Consumption loans	3.65	36.09%	0.02	NA	NA
of which bullet repayment loans	0.31	3.05%	0.01	NA	NA
(f) Income generating loans	6.46	63.91%	0.03	NA	NA
6. Non-Performing Loans recovered during the FY [(g)+(h)]	0.18	100.00%	0.03	NA	NA
(g) Consumption loans	0.07	38.42%	0.03	NA	NA
of which bullet repayment loans	0.01	8.33%	0.00	NA	NA
(h) Income generating loans	0.11	61.58%	0.04	NA	NA
7. Loans written off during the FY [(i)+(j)]	-	-	-	NA	NA
(i) Consumption loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8. Closing balance at the end of FY [(k)+(l)]	6.66	100.00%	0.03	60.86	2.27%
(k) Consumption loans	3.22	48.29%	0.02	62.22	0.08%
of which bullet repayment loans	0.30	4.47%	0.01	52.29	0.00%
(l) Income generating loans	3.44	51.71%	0.03	58.59	4.31%

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

5.8.2 Details of gold and silver collateral and auctions during the year ended March 31, 2026 and year ended March 31, 2025:

Sr. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a)	Unclaimed gold or silver collateral at the end of the financial year (in grams)	-	-
(b)	Number of loan accounts in which auctions were conducted	-	-
(c)	Total outstanding in loan accounts mentioned in (b)	-	-
(d)	Gold or silver collateral acquired during the FY due to default of loans (in grams)	-	-
(e)	Gold or silver collateral auctioned during the FY (in grams)	-	-
(f)	Recovery made through auctions during the FY (in ₹ crores)	-	-
(g)	Recovery percentage:	-	-
(h)	as % of value of gold or silver collateral	-	-
(i)	as % of outstanding loan	-	-

6 CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS

6.1 Concentration of Deposits

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total Deposits of twenty largest depositors	915.25	654.11
Percentage of Deposits of twenty largest depositors to total Deposits of the Bank	9.14%	7.86%

6.2 Concentration of Advances

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total Advances to twenty largest borrowers	696.44	605.91
Percentage of Advances to twenty largest borrowers to total Advances of the Bank	7.43%	7.69%

Concentration of advances has been calculated by taking the total credit exposure to the top twenty borrowers identified on the basis of the RBI circular on Exposure Norms.

6.3 Concentration of Exposures

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total Exposure to twenty largest borrowers/customers	696.44	605.91
Percentage of Exposures to twenty largest borrowers/ customers to total Exposure of the Bank on Borrowers/ customers	7.43%	7.69%

Concentration of exposures has been calculated by taking the total credit and investment exposure to the top twenty borrowers identified on the basis of the RBI circular on Exposure Norms

6.4 Concentration of NPAs

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total Exposure to the top twenty NPA accounts	50.60	43.55
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	22.96%	23.50%

6.5 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank

The Bank has not exceeded the prudential exposure limits for Single Borrower Limit (SBL) and Group Borrower Limit (GBL) during the year ended March 31, 2026 and March 31, 2025.

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

7 DERIVATIVES

The Bank has not undertaken any derivative business during the year ended March 31, 2026 and March 31, 2025.

8 SECURITIZATION TRANSACTIONS

The Bank has not done any securitization transaction during the year ended March 31, 2026 and year ended March 31, 2025.

9 OFF BALANCE SHEET SPVS SPONSORED

The Bank does not hold any sponsored off-balance sheet SPV during the year ended March 31, 2026 and March 31, 2025.

10 TRANSFER TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

The Bank has transferred ₹1.57 crores during the year ended March 31, 2026 and ₹1.94 crores during the year ended March 31, 2025 to the Depositor Education and Awareness Fund (DEAF) as per the details below:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance of amount transferred to DEAF	9.44	7.68
Add: Amounts transferred to DEAF during the year	1.57	1.94
Less: Amounts reimbursed by DEAF towards claims	0.16	0.18
Closing balance of amounts transferred to DEAF	**10.85**	**9.44**

The balance of the amount transferred to DEA fund are included under Schedule 12- Contingent Liabilities-Other items for which the Bank is contingently liable.

11 SEGMENT REPORTING

Segment details in compliance with AS-17 and pursuant to the Reserve Bank of India guidelines, are as under:

(₹ in crores)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue	221.66	189.19	127.60	91.00	754.36	674.82	43.25	39.51	1,146.87	994.52
Result	24.99	12.10	7.21	8.17	208.13	223.59	40.37	37.13	280.70	280.99
Unallocated Expenses									91.90	105.86
Operating Profit (PBT)									188.80	175.13
Income Taxes									47.41	43.48
Extraordinary profit/ Loss	-	-	-	-	-	-	-	-	-	-
Net Profit									**141.39**	**131.65**
Other Information:										
Segment Assets	2,914.42	2,364.06	1,393.97	1,014.36	7,766.60	6,668.88	7.29	6.63	12,082.28	10,053.93
Unallocated Assets									61.66	53.58
Total Assets									**12,143.94**	**10,107.51**
Segment Liabilities	-	-	983.70	645.28	9,454.41	7,830.02	0.04	0.07	10,438.15	8,475.37
Unallocated Liabilities									244.76	292.00
Total Liabilities									**10,682.91**	**8,767.37**
Capital and Other Reserves									**1,461.03**	**1,340.14**
Total Liabilities including Capital and Other Reserves									**12,143.94**	**10,107.51**

Notes:

i. The Bank is operating in domestic segment, so there is only one geographic segment.

ii. Inter Segment transactions are based on transfer pricing as determined by the management consent.

iii. The RBI vide its circular dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank has not set up any DBU so far and hence DBU has not been disclosed as a separate segment

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

12 RELATED PARTY DISCLOSURE

12.1 Related parties as per Accounting Standard 18

Key Management Personnel:

a. Mr. Sarvjit Singh Samra – Managing Director

b. Mr. Munish Jain – Executive Director

c. Mr. Aseem Mahajan- Chief Financial Officer (w.e.f. April 24, 2024)

d. Mr. Amit Sharma – Company Secretary

Relatives of Key Management Personnel:

a. Mr. Sarvjit Singh Samra: Mr. Amarjit Singh Samra, Mr. Amardeep Samra, Mrs. Surinder Kaur Samra, Mrs. Navneet Samra, Mrs. Amarpreet Kaur Hayer, Mr. Shahbaz Singh Samra, Mr. Sangram Singh Samra and Sarvjit Singh Samra HUF.

b. Mr. Munish Jain: Mr. Kimti Lal Jain, Mr. Vishal Jain, Mrs. Usha Jain, Mrs. Ruchi Jain, Mrs. Ritu Jain, Mr. Aagam Jain, Mr. Gaurish Jain and Munish Jain HUF.

c. Mr. Aseem Mahajan: Mr. Chander Kant Mahajan, Mrs. Sumita Mahajan, Mrs. Isha Sehgal, Mrs. Ritika Mahajan, Mr. Ayaan Mahajan and Mr. Izaan Mahajan.

d. Mr. Amit Sharma: Mr. Mangal Chand Sharma, Mrs. Bimla Sharma, Mrs. Gitika Sharma, Mr. Kunal Sharma, Miss Amayra Sharma, Mrs. Poonam Sharma, Mrs. Seema Sharma, Mr. Ajay Sharma and Mrs. Sheetal Sharma.

Associates/ Joint Ventures/ Others:

a. Capital Foundation Trust

The significant transactions (wherever it exceeds 10% of all related party transactions in that category) between the Bank and related parties for year ended March 31, 2026 are given below:

1. Interest paid includes (a) ₹0.08 crores paid to Mr. Amarjit Singh Samra (b) ₹0.13 crores paid to Mrs. Ruchi Jain; (c) 0.10 crores paid to Mrs. Amarpreet Kaur Hayer;
2. Interest received includes (a) ₹0.009 crores received from Mr. Munish Jain (b) ₹0.02 crores received from Mr. Amit Sharma (c) ₹0.02 crores received from Mr. Aseem Mahajan;
3. Leasing includes (a) ₹0.51 crores paid to Mr. Amarjit Singh Samra (b) ₹0.51 crores paid to Mrs. Surinder Kaur Samra (c) ₹0.51 crores paid to Mr. Sarvjit Singh Samra (d) ₹0.51 crores paid to Mr. Amardeep Singh Samra (e) ₹0.25 crores paid to Mrs. Navneet Kaur Samra;
4. Salary paid includes (a) ₹1.77 crores paid to Mr. Munish Jain (b) ₹1.84 crores paid to Mr. Sarvjit Singh Samra; and
5. CSR Expense/Contribution includes ₹1.49 crores paid to Capital Foundation Trust.

The significant transactions (wherever it exceeds 10% of all related party transactions in that category) between the Bank and related parties for year ended March 31, 2025 are given below:

1. Interest paid includes (a) ₹0.11 crores paid to Mr. Amarjit Singh Samra (b) ₹0.11 crores paid to Mr. Munish Jain (c) ₹0.11 crores paid to Mrs. Ruchi Jain; (d) 0.08 crores paid to Mrs. Amarpreet Kaur Hayer;
2. Interest received includes (a) ₹0.02 crores received from Mr. Amit Sharma; (b) ₹0.02 crores received from Mr. Aseem Mahajan;
3. Leasing includes (a) ₹0.51 crores paid to Mr. Amarjit Singh Samra (b) ₹0.51 crores paid to Mrs. Surinder Kaur Samra (c) ₹0.51 crores paid to Mr. Sarvjit Singh Samra (d) ₹0.51 crores paid to Mr. Amardeep Singh Samra (e) ₹0.26 crores paid to Mrs. Navneet Kaur Samra;
4. Salary paid includes (a) ₹1.65 crores paid to Mr. Munish Jain (b) ₹1.55 crores paid to Mr. Sarvjit Singh Samra; and
5. CSR Expense/Contribution includes ₹2.38 crores paid to Capital Foundation Trust.

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

12.2 The balances payable to/receivable from the related parties of the Bank are given below:

(₹ in crores)

Items/Related Party		Parent	Associates/ Joint Ventures/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	March 2026	-	-	-	2.47	2.47
	March 2025	-	-	0.50	2.18	2.68
Deposits	March 2026	-	1.43	1.11	6.59	9.13
	March 2025	-	3.88	0.84	5.54	10.26
Placement of Deposits	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Advances	March 2026	-	-	0.61	0.03	0.64
	March 2025	-	-	0.64	0.01	0.65
Investments	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Non funded commitments	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Leasing/HP arrangements availed	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Leasing/HP arrangements provided	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-

12.3 The maximum balances payable to/receivable from the related parties of the Bank are given below:

(₹ in crores)

Items/Related Party		Parent	Associates/ Joint Ventures/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	March 2026	-	-	0.50	2.68	3.18
	March 2025	-	-	0.89	2.32	3.21
Deposits	March 2026	-	5.98	3.82	12.09	21.89
	March 2025	-	4.89	2.70	12.26	19.85
Placement of Deposits	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Advances	March 2026	-	-	1.10	0.09	1.19
	March 2025	-	-	0.68	0.04	0.72
Investments	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Non-funded commitments	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Leasing/HP arrangements availed	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Leasing/HP arrangements provided	March 2026	-	-	-	-	-
		-	-	-	-	-

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

12.4 The details of transactions of the Bank with its related parties during the year ended March 31, 2026 and March 31, 2025 are given below:

(₹ in crores)

Items/Related Party		Parent	Associates/ Joint Ventures/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchase of fixed assets	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Sale of fixed assets	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
Interest paid	March 2026	-	-	0.07	0.68	0.75
	March 2025	-	-	0.11	0.57	0.68
Interest received	March 2026	-	-	0.05	0.00	0.05
	March 2025	-	-	0.04	0.00	0.04
Receiving of Services - Leasing	March 2026	-	-	0.51	1.77	2.28
	March 2025	-	-	0.51	1.80	2.31
Receiving of Services - Salary	March 2026	-	-	4.32	0.32	4.64
	March 2025	-	-	3.69	0.33	4.02
Management Contracts	March 2026	-	-	-	-	-
	March 2025	-	-	-	-	-
CSR Expense/ Contribution	March 2026	-	1.49	-	-	1.49
	March 2025	-	2.38	-	-	2.38

Notes:

1. *Salary paid shown above includes basic salary, allowances, performance bonus and taxable value of perquisites, if availed. The values are calculated basis Income Tax rules, the same excludes gratuity, PF settlement, perquisite on ESOPs & superannuation benefits.*
2. *The remuneration includes deferred incentives of past years paid during the current year*
3. *For a person being a KMP for the year or part thereof, the consideration paid during the complete financial year has been disclosed.*

13 LEASES

Operating Leases

The Bank has commitments under long term non-cancellable operating leases primarily for premises. The terms of renewal and escalation clauses are those normally prevalent in the agreements of similar nature. Following is the summary of future minimum lease rental commitments for such non-cancellable operating leases:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Not later than one year	23.61	22.33
Later than One year and not later than five years	72.40	68.61
Later than five years	42.63	42.85
Total Minimum Lease Rental Commitments	**138.64**	**133.79**

Total lease rental expenditure under cancellable and non-cancellable operating leases debited to Profit & Loss Account during the year ended March 31, 2026 is ₹25.50 crores and during the year ended March 31, 2025 was ₹22.83 crores.

Finance Lease

The Bank has not taken any asset under finance lease during the year ended March 31, 2026 and March 31, 2025.

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

14 EARNINGS PER SHARE

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net profit after tax available for equity shares (₹ in crores)	141.39	131.65
Weighted average number of equity shares	4,53,12,449	4,51,21,536
Weighted average number of equity shares for diluted earnings	4,54,73,920	4,52,59,058
Basic Earnings per share (₹)	31.20	29.18
Diluted Earnings per share (₹)	31.09	29.09
Face Value per share (₹)	10.00	10.00

15 DISCLOSURE OF COMPLAINTS

15.1 Customer Complaints pertaining to Retail Payment Channels

(Including RTGS/NEFT, Automated Teller Machine (ATM)/Point of Sale (POS) Transactions/Ecommerce Transactions, BBPS, IMPS, etc.)

S. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	Complaints received by bank from its customers		
1	Number of complaints pending at beginning of the year	16	17
2	Number of complaints received during the year*	2,033	2,672
3	Number of complaints disposed during the year	2,025	2,673
3.1	*Of which, number of complaints rejected by the bank*	1,097	1,232
4	Number of complaints pending at the end of the year	24	16
	Maintainable complaints received by the Bank from the Office of Ombudsman		
5	Number of maintainable complaints received by the Bank from ***Office of Ombudsman***	4	7
5.1	*Of 5, number of complaints resolved in favour of the bank by **Office of Ombudsman***	2	3
5.2	*Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by **Office of Ombudsman***	2	4
5.3	*Of 5, number of complaints resolved after passing of Awards by* **Office of Ombudsman** *against the bank*	-	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

*Out of the above complaints, 1,762 complaints (2,284 previous year) are related to acquiring banks.

15.2 Customer Complaints other than above

S. no.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
	Complaints received by bank from its customers		
1	Number of complaints pending at beginning of the year	4	5
2	Number of complaints received during the year	272	235
3	Number of complaints disposed during the year	254	236
3.1	*Of which, number of complaints rejected by the bank*	111	81
4	Number of complaints pending at the end of the year	22	4
	Maintainable complaints received by the Bank from the Office of Ombudsman		
5	*Number of maintainable complaints received by the Bank from **Office of Ombudsman***	17	18
5.1	*Of 5, number of complaints resolved in favour of the bank by **Office of Ombudsman***	10	6
5.2	*Of 5, number of complaints resolved through conciliation/ meditation/ advisories issued by **Office of Ombudsman***	7	12
5.3	*Of 5, number of complaints resolved after passing of Awards by **Office of Ombudsman** against the bank*	-	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

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

15.3 Top 5 grounds of Complaints received by the Bank

During the year ended March 31, 2026

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
Ground - 1 Internet/Mobile/ Electronic Banking	16	1814*	(25.99%)	19	-
Ground - 2 ATM/Debit Cards	-	253*	(9.64%)	5	-
Ground - 3 Account Opening/ Difficulty in operation of accounts	-	69	43.75%	2	-
Ground - 4 Loans and Advances	-	51	96.15%	9	-
Ground - 5 Levy of charges without prior notice/ Excessive charges/ Foreclosure Charges	-	50	117.39%	-	-
Others (Complaints not covered in above top 5 grounds)	4	68	(13.92%)	11	-
Total	**20**	**2,305**	**(20.71%)**	**46**	**-**

*1,762 complaints are related to acquiring banks

During the year ended March 31, 2025

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
Ground - 1 Internet/Mobile/ Electronic Banking	16	2,451*	(1.61%)	16	-
Ground - 2 ATM/Debit Cards	1	280*	(25.93%)	-	-
Ground - 3 Account Opening/ Difficulty in operation of accounts	1	48	2.13%	-	-
Ground - 4 Loans and Advances	-	26	30.00%	-	-
Ground - 5 Levy of charges without prior notice/ Excessive charges/ Foreclosure Charges	-	23	91.67%	-	-
Others (Complaints not covered in above top 5 grounds)	4	79	(15.05%)	4	-
Total	**22**	**2,907**	**(4.41%)**	**20**	**-**

*2,284 complaints are related to acquiring banks

15.4 Awards Passed by the Banking Ombudsman

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
No of Unimplemented Awards at the beginning of the year	-	-
No. of Awards passed by the Banking Ombudsmen during the year	-	-
No. of Awards implemented during the year	-	-
No. of Unimplemented Awards at the end of the year	-	-

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

16 DISCLOSURE OF PENALTIES IMPOSED BY THE RBI

There has been no penalty imposed by the Reserve Bank of India on the Bank except (i) ₹0.01 crores during the year ended March 31, 2026 (₹0.02 crores during the year ended March 31, 2025) for non-replenishment of ATMs in terms of RBI circular no. RBI/2021-22/84 DCM (RMMT) No. S153/11.01.01/2021-22 on Monitoring of Availability of Cash in ATMs dated August 10, 2021, and (ii) Nil during the year ended March 31, 2026 (₹0.001 crores during the year ended March 31, 2025) for not extending the facility of exchange of soiled notes to non-customers by the branch in terms of RBI circular no. DCM (CC) G-1/03.44.01/2024-25 on Master Direction – Scheme of Penalties for bank branches and Currency Chests for deficiency in rendering customer service to the members of public dated April 01, 2024.

17 REMUNERATION

17.1 Qualitative Information with reference to Whole Time Directors / Managing Director & Chief Executive Officer & Material Risk Takers (MRT)

i) Nomination and Remuneration Committee

The Bank has constituted Nomination and Remuneration Committee (NRC) for overseeing and governing the compensation polices of the Bank. The committee oversees the framing, review and implementation of compensation policy of the Bank on behalf of the Board for Managing Director & Chief Executive Officer, Whole Time Directors & Material Risk Takers.

The Committee has four members including three members from Risk Management Committee of the Board. The majority of the members of the committee are independent non-executive Directors.

As on March 31, 2026 the Committee consists of the following Members:

- Mr. Kamaldeep Singh Sangha, Chairman
- Mr. Bhavdeep Sardana, Member
- Mr. Gurpreet Singh Chug, Member
- Mr. Nageswara Rao Yalamanchili, Member

ii) Philosophy and Key Objectives

The Compensation Policy ("the Policy") of the Bank aims at the Bank's philosophy to recruit, motivate, reward and retain employees who believe in, and live by, our culture and values. The Bank endeavours to encourage entrepreneurship by creating a working environment that motivates high performance so that all employees can positively contribute to the strategy, vision, goals and values of the Bank. The key objectives of the Policy are:

- To support the organization's strategy by helping to build a competitive, high performance and innovative company with an entrepreneurial culture that attracts, retains, motivates and rewards high-performing employees;
- To promote the achievement of strategic objectives within the Company's risk appetite;
- To promote / support positive outcomes across the economic and social context in which the Company operates and
- To promote an ethical culture and responsible corporate citizenship.
- To ensure that the remuneration of MD & CEO, Whole Time Directors & Material Risk Takers is fair and reasonable in the context of overall Bank's remuneration.
- Adherence to principles of good corporate governance, as depicted in "best practice" and regulatory frameworks.
- Make a clear distinction between levels of accountability and pay package.

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

17.1 Qualitative Information with reference to Whole Time Directors/Managing Director & Chief Executive Officer & Material Risk Takers (MRT) (Contd.)

iii) Fixed Pay

The fixed pay is the base element of the remuneration that reflects the employee's role or position in the Bank and is payable for doing the expected job, including but not limited to basic salary, statutory bonus, allowances, perquisites, profit in lieu of salary and any other component paid, measured on the cost to company basis. Guaranteed remuneration is paid on monthly basis and is normally benchmarked against the financial services market and is aligned to the expected operational performance.

iv) Variable Pay

The variable pay is the reward element of the remuneration, focused to create a performance culture in the Bank, is payable as a reward to individuals or teams for achieving strong results in terms of pre-determined goals. The variable remuneration of an employee(s) can be short term or long term depending upon the category of the employee(s): (1) Short Term Variable Remuneration is paid on not greater than yearly frequency on the basis of performance based scorecard or individual employee rating; or/and (2) Long Term Variable Remuneration is paid on more than annual frequency on the basis of longevity and long-term performance of the employee in the form of ESOPs only (including Cash Linked Stock Appreciation Rights).

- The variable pay should be:
  - Atleast 100% but not more than 200% of the fixed pay in case of Managing Director and CEO and Whole Time Director or as approved by the Reserve Bank of India;
  - Atleast 50% but not more than 70% of the fixed pay for executive overseeing one business line and atleast 75% but not more than 125% of the fixed pay for executive overseeing more than one business line in case of other MRTs.
- Out of above, 50% of the variable pay should be via non cash instruments. In case, any of the executive, is barred by statute or regulation from grant of Share-linked Instruments, the whole amount can be paid via cash.
- Within the said range and as per the above ceiling, the NRC decides the short term variable pay %age for the period keeping in the view the various factors including but not limited to present and prospective capital position, market dynamics and risk position of the Bank.
- The variable pay is linked with the performance of the executive and performance of the Bank during the Period and accordingly the performance measurement is done basis various key performance indicators including:
  - Individual Rating;
  - Profitability Achievement;
  - Business Growth Achievement;
  - Credit Risk (NPA position, SMA 2 position);
  - Market Risk (LCR, Duration gap Analysis);
  - Solvency Risk (Leverage Ratio, Capital Adequacy Ratio)
- A minimum of 60% of the total variable pay (including at least 50% of the cash component if cash component is ₹25 lakhs or more), is deferred over a period of 3 years. Further, in case of various events, the deferred compensation is subject to the malus arrangement.

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

17.1 Qualitative Information with reference to Whole Time Directors/Managing Director & Chief Executive Officer & Material Risk Takers (MRT) (Contd.)

v) Guaranteed Bonus

The Bank does not allow any guaranteed bonus except bonus payable under the Payment of Bonus Act. Further, the Joining/Signing bonus is permissible in the context of hiring of executive in the form of ESOPs only and be limited to the first Period. Further, the Bank will not grant severance pay other than accrued benefits (gratuity, retiral benefits, etc.) except in case where it is mandatory by any statute.

vi) Hedging

The Bank does not provide any facility or funds or permit employees to insure or hedge their compensation structure to offset the risk alignment effects embedded in their compensation arrangement.

17.2 Quantitative Information with reference to Whole Time Directors/Managing Director & Chief Executive Officer/Material Risk Takers

S. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A	Number of meetings held by the Remuneration Committee during the period and remuneration paid to its members.	Number of Meetings: 9 The NRC members were paid total sitting fees of ₹0.03 crores for 9 meetings.	Number of Meetings: 6 The NRC members were paid total sitting fees of ₹0.02 crores for 6 meetings.
B.1	Number of employees having received a variable remuneration award during the period.	3	3
B.2	Number and total amount of sign-on awards made during the period.	-	-
B.3	Details of guaranteed bonus, if any, paid as joining/sign on bonus	-	-
B.4	Details of severance pay, in addition to accrued benefits, if any.	-	-
C.1	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Total amount of deferred remuneration as on March 31, 2026 (cumulative including the previous year remuneration) is • Cash incentive ₹1.93 crores; and • No. of Employee Stock Options 36,910. Further, Options equivalent to ₹0.86 crores are due.	Total amount of deferred remuneration as on March 31, 2025 (cumulative including the previous year remuneration) is • Cash incentive ₹1.18 crores; and • No. of Employee Stock Options 19,220. Further, Options equivalent to ₹0.57 crores are due.
C.2	Total amount of deferred remuneration paid out in the period.	• Cash incentive ₹0.19 crores; and • No. of Employee Stock Options vested 6,407	• Cash incentive ₹0.13 crores; and • No. of Employee Stock Options vested 6,417
D	Breakdown of amount of remuneration awards for the period to show fixed and variable, deferred and non-deferred.	• Fixed pay ₹3.56 crores • Variable pay (cash) ₹1.78 crores for FY26 out of which ₹0.93 crores is deferred. • Variable pay (ESOPs to MRT) equivalent to ₹0.86 crores out of which 100% options are deferred. The variable remuneration payable to MD & CEO and WTD shall be paid subject to approval from the RBI	• Fixed pay ₹3.19 crores • Variable pay (cash) ₹1.20 crores for FY25 out of which ₹0.63 crores is deferred. • Variable pay (ESOPs to MRT) equivalent to ₹0.57 crores out of which 100% options are deferred. The variable remuneration payable to MD & CEO and WTD shall be paid subject to approval from the RBI

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

17.2 Quantitative Information with reference to Whole Time Directors/Managing Director & Chief Executive Officer/Material Risk Takers (Contd.)

S. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
E.1	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Total amount of deferred remuneration as on March 31, 2026 (cumulative including the previous year remuneration) is • Cash incentive ₹1.93 crores; and • No. of Employee Stock Options 36,910. Further, Options equivalent to ₹0.86 crores are due.	Total amount of deferred remuneration as on March 31, 2025 (cumulative including the previous year remuneration) is • Cash incentive ₹1.18 crores; and • No. of Employee Stock Options 19,220. Further, Options equivalent to ₹0.57 crores are due.
E.2	Total amount of reductions during the period due to ex- post explicit adjustments.	-	-
E.3	Total amount of reductions during the period due to ex- post implicit adjustments.	-	-
F	Number of MRTs identified	3	3
G.1	Number of cases where malus has been exercised.	-	-
G.2	Number of cases where claw back has been exercised.	-	-
G.3	Number of cases where both malus and claw back have been exercised.	-	-
H	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.	The mean pay of the Bank as a whole (excluding sub-staff) is ₹0.06 crores. The deviation in the pay for Mr. Sarvjit Singh Samra, MD & CEO and Mr. Munish Jain, WTD from the mean pay is 29 times and 28 times respectively.	The mean pay of the Bank as a whole (excluding sub-staff) is ₹0.06 crores. The deviation in the pay for Mr. Sarvjit Singh Samra, MD & CEO and Mr. Munish Jain, WTD from the mean pay is 26 times and 28 times respectively.

18 DISCLOSURE ON REMUNERATION TO NON-EXECUTIVE DIRECTORS

During the year ended March 31, 2026, remuneration by way of sitting fees paid to Non-Executive Directors for attending meetings of the Board and its committees amounted to ₹0.33 crores (₹0.45 crores during the year ended March 31, 2025).

In addition, the Bank paid remuneration amounting to ₹0.79 crores during the year ended March 31, 2026 (₹0.88 crores during the year ended March 31, 2025) to the Non-Executive Directors.

19 ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS

19.1 The Bank has following ESOP plans-

Capital Small Finance Bank Limited – Employees Stock Option Plan 2018 ("CSFB ESOP 2018") was approved by the shareholders of the Bank, in the Annual General Meeting held on August 18, 2018 amended further on October 22, 2021, for granting equity stock options to its employees and directors (other than independent directors).

Capital Small Finance Bank Limited – Employees Stock Option Plan for Material Risk Takers ("CSFB ESOP for MRTs") was approved by the shareholders of the Bank on July 11, 2020 (amended further on October 22, 2021), for granting equity stock options to its material risk takers.

Capital Small Finance Bank Limited –Employees Stock Option Plan 2023 ("CSFB ESOP 2023") was approved by the shareholders of the Bank, in Extraordinary General Meeting of the Bank held on May 12, 2023, for granting equity stock options to its employees and directors (other than independent directors).

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

19.2 The stock options will be equity settled

19.3 The accounting for stock options is in accordance with the Guidance Note on Accounting for Share-based Payments issued by the Institute of Chartered Accountants of India.

19.4 The Nomination and Remuneration Committee of the Bank is empowered to administrate, implement and superintend the plan. Its powers include determination of eligible employees, determine the parameters for grant of options, vesting conditions, determination of exercise period, among others.

19.5 The details of the schemes granted are as under:

Scheme	Grant	Date of Grant	Vesting	Exercise Period	Exercise Price per option	Method of Settlement
CSFB ESOP 2018	Tranche 1	April 30, 2019	Graded Vesting: April 30, 2020- 25% April 30, 2021- 30% April 30, 2022- 45%	Twelve months from the date of vesting	₹98	Equity
CSFB ESOP for MRTs	Tranche 1	April 30, 2021	Graded Vesting: April 30, 2022- 33.33% April 30, 2023- 33.33% April 30, 2024- 33.33%	Twelve months from the date of vesting	₹10	Equity
CSFB ESOP 2018	Tranche 2	July 15, 2021	Sep 30, 2023- 100%	Twelve months from the date of vesting	₹98	Equity
CSFB ESOP 2018	Tranche 3	Sep 01, 2021	Aug 31, 2024- 100%	Twelve months from the date of vesting	₹98	Equity
CSFB ESOP for MRTs	Tranche 2	April 30, 2022	Graded Vesting: April 30, 2023- 33.33% April 30, 2024- 33.33% April 30, 2025- 33.33%	Twelve months from the date of vesting	₹10	Equity
CSFB ESOP 2018	Tranche 4	June 15, 2022	Aug 31, 2024- 100%	Twelve months from the date of vesting	₹98	Equity
CSFB ESOP for MRTs	Tranche 3	April 30, 2023	Graded Vesting: April 30, 2024- 33.33% April 30, 2025- 33.33% April 30, 2026- 33.33%	Twelve months from the date of vesting	₹10	Equity
CSFB ESOP 2023	Tranche 1	September 15, 2023	Graded Vesting: September 30,2025-40% September 30,2026-60%	Twelve months from the date of vesting	₹171	Equity
CSFB ESOP for MRTs	Tranche 4	December 13, 2024	Graded Vesting: December 13, 2025- 33.33% April 30, 2026- 33.33% April 30, 2027- 33.33%	Twelve months from the date of vesting	₹10	Equity

Pursuant to the variable pay for FY26, amounting to ₹0.86 crores and to be settled in the form of ESOPs under the CSFB ESOP Scheme for MRTs, subject to approval of the Reserve Bank of India (refer Note 17.2), the corresponding ESOP expense has been accounted for in accordance with the applicable RBI guidelines.

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

19.6 Activity in the options outstanding-

Under the CSFB ESOP 2018 plan -

Particulars	March 31, 2026 (Number of Options)	March 31, 2025 (Number of Options)
Options outstanding, beginning of the year	40,750	2,55,000
Granted during the year	-	-
Exercised during the year	39,250	1,98,000
Forfeited / Lapsed during the year	1,500	16,250
Options outstanding, end of the year	-	40,750
Options exercisable	-	40,750

Under CSFB ESOP for MRTs -

Particulars	March 31, 2026 (Number of Options)	March 31, 2025 (Number of Options)
Options outstanding, beginning of the year	19,220	6,417
Granted during the year	20,345	19,220
Exercised during the year	-	6,417
Forfeited / Lapsed during the year	-	-
Options outstanding, end of the year	39,565	19,220
Options exercisable	6,047	-

Under CSFB ESOP 2023 –

Particulars	March 31, 2026 (Number of Options)	March 31, 2025 (Number of Options)
Options outstanding, beginning of period	6,25,000	6,70,000
Granted during the period	-	-
Exercised during the period	1,32,584	-
Forfeited/ Lapsed during the period	24,500	45,000
Options outstanding, end of period	4,67,916	6,25,000
Options exercisable	1,07,616	-

19.7 The below table shows the fair value of options and inputs considered for calculating them as per the Black Scholes method:

Particulars	CSFB ESOP 2018 (Tranche 1)	CSFB ESOP 2018 (Tranche 2)	CSFB ESOP 2018 (Tranche 3)	CSFB ESOP 2018 (Tranche 4)
Date of grant	April 30, 2019	July 15, 2021	Sept 01, 2021	June 15, 2022
Fair value of option (₹)	132.17	181.18	185.29	222.93
Risk-free interest rate (%)	6.65%-6.99%	5.06%	5.14%	6.89%
Expected life (years)	1.50-3.50 years	2.71 years	3.50 years	2.71 years
Expected volatility (%)	31.53%-33.01%	44.03%	41.80%	43.67%
Expected dividend rate (%)	0%	0%	0%	0%

Particulars	CSFB ESOP for MRTs (Tranche 1)	CSFB ESOP for MRTs (Tranche 2)	CSFB ESOP for MRTs (Tranche 3)	CSFB ESOP for MRTs (Tranche 4)
Date of grant	April 30, 2021	April 30, 2022	April 30, 2023	December 13, 2024
Fair value of option (₹)	255.04	294.14	361.29	268
Risk-free interest rate (%)	4.13%-5.15%	4.96%-6.20%	6.79%-6.86%	6.48%-6.54%
Expected life (years)	1.50-3.50 years	1.50-3.50 years	1.50-3.50 years	1.50-2.88 years
Expected volatility (%)	42.07%-50.86%	44.64%-50.72%	37.20%-46.14%	27.92%-52.79%
Expected dividend rate (%)	0%	0%	0%	0%

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

19.7 The below table shows the fair value of options and inputs considered for calculating them as per the Black Scholes method (Contd.):

Particulars	CSFB ESOP 2023 for (Tranche 1)
Date of grant	September 15, 2023
Fair Value of option (₹)	239.99
Risk-free interest rate (%)	7.04%-7.07%
Expected life (years)	2.54-3.54 years
Expected volatility (%)	38.49%-44.98%
Expected dividend rate (%)	0%

19.8 The RBI vide its notification number RBI/DOR/2025-26/180 DOR.HGG.GOV.No.99/29.67.001/2025-26 "Master Directions on Small Finance Banks-Governance Directions, 2025" dated November 28, 2025 specifies guidelines on compensation of whole-time directors/chief executive officers/material risk takers and control function staff, advised banks that the fair value of the share linked instruments on the date of grant should be recognized as an expense for all instruments granted after the period ending March 31, 2021. Accordingly, the Bank measures the cost of ESOP using the fair value method for stock options granted post March 31, 2021 including grant to the Material Risk Takers as a part of their variable compensation and uses the intrinsic value method for stock options granted prior to the said period.

20 STAFF RETIREMENT BENEFITS

20.1 Impact of New Labour Codes

On November 21, 2025 the Government of India notified four Labour Codes- the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes' consolidating 29 existing labour laws. As per the New Labour Codes read with FAQs, clarifications and amendments issued from time to time, the Bank has recognized a one-time charge for past service cost of ₹5.13 crores under 'Employees Cost' in the Profit and Loss Account during the year ended March 31, 2026. Any further amendments as notified from time to time shall be considered accordingly.

20.2 Reconciliation of opening and closing balance of the present value of the defined benefit obligation for the **gratuity benefit** of the Bank is as below:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Defined benefit obligation liability		
Opening Obligations	11.38	9.14
Service Cost*	4.90	1.41
Interest Cost	0.80	0.66
Actuarial (Gain)/Loss	(1.03)	0.78
Liabilities extinguished on settlement	-	-
Benefits Paid	(0.84)	(0.61)
Obligations at last date of the year	**15.21**	**11.38**
Plan Assets at fair value		
Opening Plan Assets, at fair value	11.15	9.19
Expected return on plan assets	0.78	0.66
Actuarial Gain/(Loss)	(0.77)	0.05
Assets distributed on settlement	-	-
Contributions	4.98	1.86
Benefits Paid	(0.84)	(0.61)
Plan Assets at fair value at last date of the year		
Fair Value of Plan Assets at the end of the year	15.30	11.15
Present Value of the defined benefit obligation at the end of the year	15.21	11.38

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

20.2 Reconciliation of opening and closing balance of the present value of the defined benefit obligation for the **gratuity benefit** of the Bank is as below (Contd.):

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Asset/(Liability) at last date of the year	**0.09**	**(0.23)**
Experience adjustments on Plan Liabilities	0.05	(0.60)
Experience adjustments on Plan Assets	(0.76)	0.05
Cost for the year		
Service Cost	4.90	1.41
Interest Cost	0.80	0.66
Expected Return on Plan Assets	(0.78)	(0.66)
Actuarial (Gain)/Loss	(0.26)	(0.73)
Net Cost	**4.66**	**0.68**
Investment details of Plan Assets		
Plan assets are invested in insurer managed funds		
Assumptions		
Discount Rate	7.90%	7.04%
Salary escalation rate	5.00%	5.00%
Estimated rate of return on plan assets	7.00%	7.00%

**The cost above includes Past Service Cost amounting to ₹3.05 crores, recognized a one-time charge under 'Employees Cost' in the Profit and Loss Account during the year ended March 31, 2026 in compliance to implementation of New Labour Codes.*

The estimate of salary growth rate takes into account inflation, market dynamics, seniority, promotion and other relevant factors on long-term basis.

Experience adjustment:

(₹ in crores)

Particulars	Year Ended				
	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Plan Assets	15.30	11.15	9.19	8.59	7.45
Defined benefit obligation	15.21	11.38	9.14	8.49	7.35
Surplus/(Deficit)	**0.09**	**(0.23)**	**0.05**	**0.10**	**0.10**
Experience adjustment gain / (loss) on plan liabilities	0.05	(0.60)	0.27	0.06	(0.19)
Experience adjustment gain / (loss) on plan assets	(0.76)	0.05	0.56	(0.03)	(0.13)

20.3 The actuarial liability of compensated absences of **accumulated earned and sick leaves** of the employees of the Bank is as below:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Earned Leaves	9.79	7.14
Sick Leaves	1.99	1.78
Total Actuarial Liability	**11.78**	**8.92**
Assumptions		
Discount Rate	7.90%	7.04%
Salary Escalation Rate	5.00%	5.00%

The above liability includes Past Service Cost amounting to ₹2.08 crores, recognized a one-time charge under 'Employees Cost' in the Profit and Loss Account during the year ended March 31, 2026 in compliance to implementation of New Labour Codes.

The estimate of salary growth rate takes into account of inflation, market dynamics, seniority, promotion and other relevant factors on long-term basis.

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

20.4 Liability towards Unamortized Pension

The Bank does not have any unamortized liability against pension during the year ended March 31, 2026 and year ended March 31, 2025.

21 BUSINESS RATIOS

S. No.	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
i.	Interest Income as a percentage to Working Funds*	9.15%	9.31%
ii.	Non-interest income as a percentage to Working Funds*	0.86%	0.88%
iii.	Cost of Deposits	5.85%	5.87%
iv.	Net Interest Margin##	4.29%	4.53%
v.	Operating Profit** as a percentage to Working Funds*	1.86%	1.90%
vi.	Return on Assets@	1.23%	1.35%
vii.	Business (Deposits plus advances)# per employee^ (₹ in crores)	8.39	7.69
viii.	Profit per employee (Operating Profit)^ (₹ in crores)	0.10	0.09

Notes:

**Working funds have been reckoned as average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the year.*

***Operating profit is the net profit for the year before provisions and contingencies.*

@Return on Assets is calculated with reference to monthly average working funds (Working funds taken as total of assets excluding accumulated losses, if any).

#For the purpose of computation of business per employee business is calculated by adding deposits and advances excluding inter-bank deposits.

^Productivity ratios are based on average number of employees.

##Net Interest Margin has been computed based on the Net Interest income (Interest Income-Interest Expense) and average Interest Earning Assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act.

22 BANCASSURANCE BUSINESS

(₹ in crores)

Fee/remuneration received	Year ended March 31, 2026	Year ended March 31, 2025
1. Life insurance	29.46	26.83
2. General Insurance	10.40	9.00

23 MARKETING AND DISTRIBUTION

(₹ in crores)

Fee/remuneration received	Year ended March 31, 2026	Year ended March 31, 2025
Marketing and Distribution	-	-

24 DETAILS OF PRIORITY SECTOR LENDING CERTIFICATES (PSLC)

(₹ in crores)

Type of PSLC	Year ended March 31, 2026		Year ended March 31, 2025	
	PSLC bought during the year	PSLC sold during the year	PSLC bought during the year	PSLC sold during the year
Agriculture	-	2,065.00	-	200.00
Small and Marginal Farmers	890.00	-	700.00	-
Micro enterprises	-	-	-	-
General	500.00	-	-	-
Total	**1,390.00**	**2,065.00**	**700.00**	**200.00**

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

25 PROVISIONS AND CONTINGENCIES

The break-up of the provisions and contingencies included in Profit and Loss Account is given hereunder:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Provisions for NPI	-	-
Provisions towards Taxes#	47.41	43.48
Provisions towards Standard Assets	3.87	1.97
Provision towards Non-performing Advances (NPA)	20.83	8.33
Total	**72.11**	**53.78**

#Details of Provisions towards Taxes

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income Tax	49.11	44.68
Deferred Tax	(1.70)	(1.20)

26 DEFERRED TAX ASSET/LIABILITY

Other Assets include deferred tax asset of an amount equal to ₹11.65 crores for the year ended March 31, 2026 and ₹5.67 crores for the year ended March 31, 2025 as detailed below:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Deferred Tax Assets	**16.77**	**9.51**
Loan Loss Provisions	8.60	7.64
Others	6.92	4.90
Gain/ Loss on Transition/ Fair value adjustment on Investment	1.25	(3.03)
Deferred Tax Liabilities	**(5.12)**	**(3.84)**
Special Reserve under section 36(i)(viii)	(5.12)	(3.84)
Deferred Tax (Liabilities)/Assets (Net)	**11.65**	**5.67**

27 STATUS OF IND AS IMPLEMENTATION

As per RBI circular RBI/2015 -16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated February 11, 2016 Implementation of Indian Accounting Standards (Ind AS), Banks are advised that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the RBI in this regard. Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard and the Bank is submitting Proforma Ind AS Financial Statements to the RBI on regular basis.

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

28 PAYMENT OF DICGC INSURANCE PREMIUM

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Payment of DICGC Insurance Premium	9.98	8.91
Arrears in payment of DICGC premium	-	-

The Bank has deposited the deposit insurance premium within prescribed timelines

29 USE OF FUNDS RAISED FROM GREEN DEPOSITS

The Bank has not raised any funds from green deposits during the year ended March 31, 2026 and March 31, 2025.

30 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

On the basis of information and records available with the management and confirmation sought by the management from suppliers on their registration with the specified authority under MSMED, there have been no reported cases of delay in payments to Micro, Small and Medium Enterprises or of interest payments due to delay in such payments.

(₹ in crores)

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
a)	Principal amount due to suppliers under MSMED Act, 2006	-	-
b)	Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
c)	Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
d)	Interest paid to suppliers under MSMED Act (Section 16)	-	-
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
f)	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	-	-

31 CORPORATE SOCIAL RESPONSIBILITY

Gross amount required to be spent by the Bank and as approved by the Board of Directors, during the year ended March 31, 2026 is ₹2.99 crores (previous year ₹2.38 crores)

The amount recognised as an expense in the Profit and Loss Account on CSR related activities and contributed to implementing agencies during the year ended March 31, 2026 is ₹2.99 crores (previous year ₹2.38 crores) which comprises of following:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Construction/ acquisition of any asset	0.06	-
On purposes other than (i) above	2.93	2.38

Out of the above amount of 2.99 crores, ₹1.49 crores was transferred to Capital Foundation, out of which the unspent amount of ₹1.12 crores has been transferred to a separate bank account on behalf of the Bank, to be utilized towards on-going projects/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

CSR projects during the year ended March 31, 2026 were in the areas of:

i Helping Hands for WFH (Water, Food and Health); ii Sarv Shiksha Abhiyan; iii Inclusions & Empowerment; iv Committed to Environment Stewardship; v Gear Up India (Aka Rural Sports Development); vi Tomorrow Ready Relief Project; vii Healthcare / Donation under COVID - 19

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

32 DESCRIPTION OF CONTINGENT LIABILITIES

Particulars	Description
Claims against the bank not acknowledged as debts	During the year ended March 31, 2026, the Bank does not have any claim against it not acknowledged as debts. During the year ended March 31, 2025, includes amount created for taxation matter in respect of which appeal was pending. The matter has been decided in favour of the Bank during the year March 31, 2026.
Guarantees given on behalf of constituents in India.	As a part of its commercial banking activities, the Bank issues bank guarantees on behalf of its customers.
Acceptances, endorsements and other obligations.	The Bank does not have Liability on account of acceptances, endorsements and other obligations.
Liability on account of outstanding forward exchange and derivative contracts	The Bank does not have Liability on account of outstanding forward exchange and derivative contracts.
Other items for which Bank is contingently liable.	Includes capital commitments and amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF).

33 INVESTOR EDUCATION AND PROTECTION FUND

There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Bank.

34 DETAILS OF OTHER HEADS EXCEEDING 1%

34.1 Other Expenditure includes below expense that exceed 1% of the total income of the Bank:

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Other Expenditure		
Security and Facility Staff Expense	29.32	25.70
GST Expenses for 50% Input Tax Credit under GST lapsed as per section 17(4) of CGST Act 2017	11.63	10.16
Priority Sector Lending Certificate Expenses	5.04*	12.72

*The value has been disclosed for comparative purpose. However, it does not exceed 1% of the total income of the Bank.

34.2 Miscellaneous Income does not include any income that exceed 1% of the total income of the Bank for the year ended March 31, 2026 and March 31, 2025.

34.3 Other Liabilities and Provisions – Others (including Provisions) and Other Assets-Others does not include any item that exceeds 1% of the total assets of the Bank as on March 31, 2026 and as on March 31, 2025.

35 PAYMENT TO THE AUDITORS

(₹ in crores)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Audit Fees	1.03	0.93
Certificate Fees & fee for other services	0.09	0.07
Out of Pocket Expenses	0.32	0.40

Notes:

- The audit fees include ₹0.42 crores (₹0.40 crores during the previous year) paid to auditors other than the statutory auditor.
- Out of pocket expenses includes expense for statutory auditor and other auditors.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026

36 COMPARATIVE FIGURES

Figures for the previous year have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached

For **SCV & Co. LLP**
Chartered Accountants
FRN: 000235N/N500089

Sunny Singh
Partner
Membership No. 516834

Date: April 29, 2026
Place: Noida

For and on behalf of The Board of
Capital Small Finance Bank Limited

Sarvjit Singh Samra
Managing Director
& Chief Executive Officer
DIN: 00477444

Munish Jain
Director
DIN: 10132430

Gurpreet Singh Chug
Director
DIN: 01003380

Aseem Mahajan
Chief Financial Officer

Date: April 29, 2026
Place: Jalandhar

Amit Sharma
Company Secretary
Membership No. FCS10888

NOTES

NOTES

it's an SGA adsvita creation | adsvita.com

Capital Small Finance Bank

Vishwas Se Vikas Tak

Registered Office
Midas Corporate Park, 3rd Floor, 37, G.T. Road,
Jalandhar – 144 001, Punjab, India
Tel.: 0181-505 1111, 505 2222
Fax: 0181-505 3333
Email: investorrelations@capitalbank.co.in