

August 20, 2024

Ref.: SSFB/CS/63/2024-25

To,

National Stock Exchange of India Limited
The Listing Department
Exchange Plaza,
C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400051

BSE Limited
The Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Symbol: SURYODAY

Scrip Code: 543279

Dear Sir/ Madam,

Sub: Disclosure under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of Sixteenth (“16th”) Annual General Meeting along with Annual Report for the Financial Year 2023-24, Intimation of Book Closure Date and Cut-off date for e-voting.

In continuation to the Bank’s Letter reference Nos. SSFB/CS/52/2024-25 and SSFB/CS/55/2024-25 dated August 01, 2024, we would like to inform that 16th Annual General Meeting (“**AGM**”) of the members of Suryoday Small Finance Bank Limited (the “**Bank**”) will be held on **Thursday, September 12, 2024 at 03:30 p.m.** Indian Standard Time (“**IST**”) through Video Conferencing (“**VC**”)/ Other Audio-Visual Means (“**OAVM**”), in compliance with the applicable provisions of the Companies Act, 2013 (the “**Act**”) read with rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and Circulars and Notifications issued by the Ministry of Corporate Affairs and SEBI, from time to time, in this regard.

Pursuant to the provisions of the Regulations 30, 34, 53 and other applicable provisions of the SEBI Listing Regulations, we hereby submit the copies of the Notice of the 16th AGM of the Bank along with Annual Report for the Financial Year 2023-24. The same is also made available on the website of the Bank at:

<https://www.suryodaybank.com/shareholders-meeting-agm-view-24-25>.

In accordance with the applicable provisions of the Act and the SEBI Listing Regulations, the Bank is providing the facility to the Members holding shares in dematerialized as well as physical form to exercise their votes by way of electronic means (“**e-voting**”) on any or all the Resolution(s) specified in the AGM Notice. Members may cast their vote remotely on the Resolutions proposed to be passed at the AGM, using electronic voting system, on the dates mentioned in the Notice of AGM (“**remote e-voting**”). The Bank is also offering the facility to the Members to cast their vote(s) electronically during the AGM (“**InstaPoll**”). Accordingly, the Bank has fixed **Thursday, September 05, 2024** as the Cut-off date for the purpose of determining the eligibility of the Members to vote either through remote e-voting or voting during the AGM, i.e. InstaPoll. Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote during the AGM through InstaPoll. Members may refer to the notes to the AGM Notice for detailed procedure on attending the AGM through VC/OAVM and e-voting.

The Bank is dispatching the Notice of 16th AGM along with the Annual Report for the Financial Year 2023-24 today, i.e., August 20, 2024, through electronic mode to all eligible shareholders, whose email IDs are registered with the Bank/Depositories.

SURYODAY SMALL FINANCE BANK LIMITED

Reg. & Corp. off : 1101, Sharda Terraces, Plot. 65, Sector 11, CBD Belapur, Navi Mumbai: 400614 Tel: 022-40435800

E Mail: info@suryodaybank.com / **Web:** www.suryodaybank.com **CIN:** L65923MH2008PLC261472 / **GSTIN NO:** 27AAMCS5499J1ZG

Further, pursuant to the applicable provisions of SEBI Listing Regulations and the Articles of Associations of the Bank, we wish to inform that the Register of Members and Share transfer Book shall remain closed from **Friday, September 06, 2024 to Thursday, September 12, 2024 (both days inclusive)**.

The Brief details of the business(es) proposed to be transacted at the 16th AGM through remote e-voting, are enclosed as **Annexure 1**.

This intimation will also be made available on the Bank's website at <https://www.suryodaybank.com/Equity-Compliances-24-25>.

The above is submitted for your kind information and appropriate dissemination.

Thanking You.

Yours truly,
For **Suryoday Small Finance Bank Limited**

Krishna Kant Chaturvedi
Company Secretary & Compliance Officer
Encl: As above

CC: National Securities Depository Limited Trade World, A Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	Central Depository Services (India) Limited 25th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai - 400013
KFin Technologies Limited, Unit: Suryoday Small Finance Bank Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 Website: www.kfintech.com Email id: einward.ris@kfintech.com Toll-free number: 1800 309 4001	

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Annexure-1
Brief details of the business(es) proposed to be transacted at the 16th Annual General Meeting

Sr No.	Description	Type of Resolution (Ordinary /Special)
<u>Ordinary Business:</u>		
1.	To consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon	Ordinary
2.	To appoint Mr. Ranjit Jayant Shah (DIN: 00088405) as a Director, who retires by rotation, and being eligible, offers himself for re-appointment	Ordinary
3.	To approve the appointment of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W), as Statutory Auditors of the Bank	Ordinary
<u>Special Business:</u>		
4.	To re-appoint Mr. John Arunkumar Diaz (DIN: 00493304) as an Independent Director of the Bank	Special Resolution
5.	To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2024-25	Special Resolution
6.	To approve the proposed modifications in the Suryoday ESOP Scheme 2019	Special Resolution

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SURYODAY SMALL FINANCE BANK LIMITED

Corporate Identity Number: L65923MH2008PLC261472

Regd. Office: Unit no. 1101, Sharda Terraces, Plot No. 65, Sector 11, CBD Belapur, Navi Mumbai - 400 614

Tel No: +91 22 4185 6700 Email: company.secretary@suryodaybank.com

Website: www.suryodaybank.com

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixteenth (16th) Annual General Meeting ("AGM") of the Members of Suryoday Small Finance Bank Limited (the "Bank") will be held on **Thursday, September 12, 2024, at 3:30 p.m.** Indian Standard Time ("IST") through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 129, 134 and other applicable provisions, if any, of the Companies Act, 2013, read with relevant rules made thereunder, Section 29 and other applicable provisions, if any, of the Banking Regulation Act, 1949 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and the rules, circulars, guidelines and notifications issued by the Reserve Bank of India in this regard, from time to time, the Audited Annual Financial Statements of the Bank for the Financial Year ended on March 31, 2024, including the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended on that date together with the Reports of the Board of Directors and the Independent Auditors thereon, as circulated to the Members, be and are hereby considered, approved and adopted."

2. To appoint Mr. Ranjit Jayant Shah (DIN: 00088405) as a Director, who retires by rotation, and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and applicable provisions of the Banking Regulation Act, 1949 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and the rules, circulars, guidelines and notifications issued by the Reserve Bank of India in this regard, from time to time, Mr. Ranjit Jayant Shah (DIN: 00088405), Non-Executive Non-Independent Investor Director, who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as Non-Executive Non-Independent Investor Director of the Bank, liable to retire by rotation."

3. To approve the appointment of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W), as Statutory Auditors of the Bank and in this regard, to consider and if thought fit, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder, Section 30(1A) and the applicable provisions of the Banking Regulation Act, 1949, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], read with RBI Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 and the rules, circulars, guidelines and notifications issued by the Reserve Bank of India ("RBI"), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in this regard, the Bank's Policy on appointment of the Statutory Auditor and pursuant to the approval granted by RBI vide its letter no. Ref CO. DOS. RPD. No.S804/08.68.005/2024-25 dated May 02, 2024 and as recommended by the Audit Committee of the Board and Board of Directors of the Bank, approval of the Members, be and is hereby accorded for the appointment of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W), as Statutory Auditors of Suryoday Small Finance Bank Limited (the "Bank") to hold office for a period of Three (3) years from the conclusion of the Sixteenth (16th) Annual General Meeting until the conclusion of the Nineteenth (19th) Annual General Meeting of the Bank for the purpose of the audit of the Bank's Financial Statements for the Financial Years 2024-25 upto 2026-27 on such terms and conditions including remuneration as may be fixed by the Board of Directors (including the Audit Committee of the Board) of the Bank and further subject to the fulfilment of the eligibility norms, by the Statutory Auditors as per the RBI Guidelines, other applicable provisions and approval of the RBI, every year during their tenure.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include 'Audit Committee of the Board', authorized by the Board of Directors to exercise powers conferred on the Board by this Resolution and/or such other persons, as may be authorized in this regard by the Board and/or the Audit Committee), be and is hereby authorised

to execute all such agreements, documents, instruments and writings as may be deemed necessary for the aforesaid purpose and to submit requisite form(s), application(s) and documents with the statutory or regulatory authorities, to settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, and provide other information as may be required by any statutory or regulatory authority(ies), accept on behalf of the Bank such conditions and modifications as may be prescribed or imposed by any statutory or regulatory authority(ies) and engage in any other communication with any statutory or regulatory authority(ies) and publish necessary gazette notifications, if required, and to do all such acts, deeds, matters and things as may be required or deemed expedient to implement this Resolution.”

SPECIAL BUSINESS:

4. **To re-appoint Mr. John Arunkumar Diaz (DIN: 00493304) as an Independent Director of the Bank and in this regard, to consider and if thought fit, pass the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the relevant rules made thereunder and Schedule IV to the Act, Regulations 16(1)(b), 17 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), Section 10A and other applicable provisions if any, of the Banking Regulation Act, 1949 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and the rules, circulars, guidelines and notifications issued by the Reserve Bank of India (“RBI”) from time to time and any other applicable laws, the provisions of the Articles of Association of the Bank, and pursuant to the recommendation made by the Nomination and Remuneration Committee and the Board of Directors of the Bank, Mr. John Arunkumar Diaz (DIN: 00493304) who was appointed as an Independent Director of the Bank for a period of Five (5) years with effect from December 16, 2019 and whose first term as an Independent Director of the Bank is expiring on December 15, 2024, being eligible for re-appointment and meets the criteria of independence as prescribed under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Bank has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Bank, for the second term, effective from December 16, 2024 to August 08, 2026 (both days inclusive), i.e. until attaining the age of 75 years, as permissible under applicable Circulars and Regulations, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Bank (the “Board”, which term shall include any Committee, constituted/to be constituted by the Board of Directors of the Bank or any Director / officer, delegated with powers necessary for the purpose), be and is hereby authorised to execute all such agreements, documents, instruments and writings as may be deemed necessary for the aforesaid purpose and to submit requisite form(s), application(s) and documents with the statutory or regulatory authorities, to settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, and provide other information as may be required by any statutory or regulatory authority(ies), accept on behalf of the Bank such conditions and modifications as may be prescribed or imposed by any statutory or regulatory authority(ies) and engage in any other communication with any statutory or regulatory authority(ies) and publish necessary gazette notifications, if required, and to do all such acts, deeds, matters and things as may be required or deemed expedient to implement this Resolution.”

5. **To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2024-25 and in this regard, to consider and if thought fit, pass the following Resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 10B, 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949, and other applicable statutory provisions, the Reserve Bank of India (“RBI”) guidelines on compensation of whole-time directors/ chief executive officers/ material risk takers and control function staff dated November 4, 2019, as amended, and the rules, circulars, guidelines and notifications issued by the RBI in this regard, from time to time, Sections 196, 197 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the relevant Rules made thereunder (the “Act”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force], provisions of the Articles of Associations of the Bank and the Compensation Policy of the Bank and basis the recommendation of the Nomination and Remuneration Committee of the Board (“NRC”) and approval of the Board of Directors, subject to approvals of the RBI, approval of the Members of the Bank, be and is hereby accorded for the remuneration payable to Mr. Baskar Babu Ramachandran (DIN:02303132), Managing Director & Chief Executive Officer (“MD & CEO”) of the Bank with effect from April 01, 2024, as per details given below:

Sr. No.	Particulars	Remuneration paid to the MD & CEO for FY 2023-24, basis the approval granted by RBI and the Shareholders	Proposed revised remuneration for MD & CEO for FY 2024-25, subject to approval of the Members and the RBI
1.	Fixed Remuneration (inclusive of retirals and perquisites)	Rs. 176 Lakhs p.a.	Rs. 210 Lakhs p.a.
2.	Variable Remuneration	In accordance with the Bank's Compensation Policy drawn in line with the RBI Guidelines, the maximum amount of Variable Remuneration shall be upto 1.5 times of the Fixed Remuneration, which shall comprise of cash component entirely and shall be payable on a deferred basis as per the provisions of the said Compensation Policy (approval of RBI for payment of Variable Remuneration as recommended by NRC and Board, is awaited)	In accordance with the Bank's Compensation Policy drawn in line with the RBI Guidelines, the maximum amount of Variable Remuneration shall be upto 1.5 times of the Fixed Remuneration, which shall be payable on a deferred basis as per the provisions of the said Compensation Policy
3.	Medical Benefits	Mediclaime insurance coverage as per HR Policy of the Bank	No change
4.	Provident fund/ Gratuity/ Pension	The following amounts, as per applicable Statutory provisions: PF: Rs. 9.91 Lakhs p.a. as per above salary. Gratuity: Rs. 3.97 Lakhs p.a. payable at 15 days' Basic Salary for every year of service, as per statute; (no superannuation fund currently)	The following amounts, as per applicable Statutory provisions: PF: Rs. 11.82 Lakhs p.a. as per above salary. Gratuity: Rs. 4.74 Lakhs p.a. payable at 15 days' Basic Salary for every year of service, as per statute; (no superannuation fund currently)

RESOLVED FURTHER THAT in accordance with extant Compensation Policy of the Bank, the remuneration of MD & CEO will be subject to Malus and Clawback clauses, applicable in such circumstances, as determined by the NRC in accordance with RBI guidelines, from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Baskar Babu Ramachandran, MD & CEO shall be governed in accordance with the approval of the RBI read with the Schedule V of the Act and rules made thereunder (to the extent applicable), as amended from time to time.

“RESOLVED FURTHER THAT the Board of Directors of the Bank (the **“Board”**, which term shall include the Nomination and Remuneration Committee of the Board or any Director / officer, delegated with powers necessary for the purpose), be and is hereby authorised to do all such acts, deeds, matters and things including the power to settle all questions, difficulties or doubts that may arise with regard to the said remuneration, as it may in its absolute discretion deem fit, and to execute all such agreements, documents, instruments, writings, etc., as may be required, file requisite forms or applications with statutory/regulatory authorities and/or to delegate all or any of its powers herein conferred to any Director(s)/ Officer(s) of the Bank, as may be required, and also to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution.”

6. To approve the proposed modifications in the Suryoday ESOP Scheme 2019 and in this regard, to consider and if thought fit, pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (the **“Act”**) and Rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (the **“SEBI SBEB Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **“SEBI Listing Regulations”**), the Rules, Circulars, Regulations, Guidelines, if any, prescribed by the Securities and Exchange Board of India (the **“SEBI”**), the rules, circulars, guidelines and notifications issued by the Reserve Bank of India (the **“RBI”**) and other concerned authorities, as applicable and other applicable Laws/Regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Bank, and subject to such approval(s), consent(s), permission(s) and sanction(s), as may be required from the SEBI, RBI and other authorities, institutions or bodies, as applicable, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the **“Board”** which term shall be deemed to include the ‘Nomination and Remuneration Committee (**“NRC”**) constituted by the Board under Section 178 of the Act, which acts as and plays the role of Compensation Committee under SEBI SBEB Regulations, authorized by the Board to exercise powers conferred on the Board by this Resolution), basis the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the Members, be and is hereby granted:

- (i) to authorise the Board of Directors (*hereinafter referred to as the "Board" which term shall be deemed to include the 'Nomination and Remuneration Committee ("NRC")' constituted by the Board under Section 178 of the Act, which acts as and plays the role of Compensation Committee under SEBI SBEB Regulations, authorized by the Board to exercise powers conferred on the Board by this Resolution*), to create, offer, issue and allot additional 40,00,000 (Forty Lakhs only) Equity Stock Options, convertible into equivalent number of Equity Shares of the nominal value of Rs. 10 (Rupees Ten only) per Equity Share under the Suryoday ESOP Scheme 2019, to such present and future officers and employees (*including Whole-time Director(s) but excluding the Promoters*), (collectively the "**Employees**") as determined by the NRC; and
- (ii) for modifying/ varying the Suryoday ESOP Scheme 2019, as initially approved by the Members at the 11th Annual General Meeting ("**AGM**") of the Bank held on September 26, 2019, amended vide Special Resolution passed at the Extra Ordinary General Meeting of the Members held on July 27, 2020 and thereafter ratified by the Members at the 13th AGM of the Bank held on September 20, 2021, pursuant to the provisions of SEBI SBEB Regulations, by increasing the total number of Options available in the Suryoday ESOP Scheme 2019 by adding 40,00,000 (Forty Lakhs only) Equity Stock Options i.e. from existing 40,00,000 (Forty Lakhs only) Equity Stock Options to 80,00,000 (Eighty Lakhs only) Equity Stock Options; convertible into equivalent number of Equity Shares of the nominal value of Rs. 10 (Rupees Ten only) per Equity Share under Suryoday ESOP Scheme 2019, at such price and on such other terms & conditions as may be decided by the Board / NRC in its absolute discretion, and also modifying the Clause Nos. 1.2, 2.1(l), 2.1(bb), 3.1, 7.1, 8.2, 8.3, 8.5, 8.7, 12.3 and 12.4 of the Scheme, as detailed in the Explanatory Statement read with the other terms and conditions as set out in the Explanatory Statement to this Item in the Notice of AGM and that the modifications/ amendments to the Scheme shall not be prejudicial to the interests of the Options holders.

RESOLVED FURTHER THAT the revised Suryoday ESOP Scheme 2019, incorporating the abovementioned modifications / variations, be and is hereby approved and adopted by the Members.

RESOLVED FURTHER THAT the Board, be and is hereby authorized, without prejudice to the generality of the above, but subject to the terms, as approved by the members and in compliance with the applicable Regulations and Guidelines, to implement, formulate, evolve, decide upon and bring into effect the Suryoday ESOP Scheme 2019 on such terms & conditions as broadly contained in the Explanatory Statement to this Item in the Notice convening 16th AGM and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the Suryoday ESOP Scheme 2019, from time to time, including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, performance/ eligibility criteria for grant/ vesting or to suspend, withdraw, terminate or revise the Suryoday ESOP Scheme 2019, in such manner as the Board may determine, subject to the condition that the amendments to the Scheme, should not be prejudicial to the interests of the Options holders.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to framing rules relating to taxation matters arising out of grant/ exercise of stock options and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable in relation thereof, for the purpose of giving effect to the above resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted in accordance with the Suryoday ESOP Scheme 2019 on the Stock Exchanges where the Shares of the Bank are listed in accordance with the provisions of the SEBI Listing Regulations, the SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot the Equity Shares upon exercise of the Options from time to time in accordance with the Suryoday ESOP Scheme 2019 and such Equity Shares shall rank pari-passu with all the existing Equity Shares of the Bank for all purposes.

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing Resolutions, the Board be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with the power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in relation to the implementation of the Suryoday ESOP Scheme 2019 and to the shares (*including to amend or modify any of the terms thereof*) issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of the aforesaid resolutions."

Registered Office:
Unit no. 1101, Sharda Terraces, Plot No. 65, Sector 11,
CBD Belapur, Navi Mumbai 400 614
CIN : L65923MH2008PLC261472
Website: www.suryodaybank.com
E-mail: company.secretary@suryodaybank.com
Date: August 19, 2024
Place: Navi Mumbai

By Order of the Board of the Directors
For Suryoday Small Finance Bank Limited

Sd/-
Krishna Kant Chaturvedi
Company Secretary & Compliance Officer
FCS 7264

Notes:

1. The Relevant Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the “Act”) read with relevant rules made thereunder relating to the Ordinary/ Special Businesses to be transacted at Annual General Meeting under Item No. 3 to 6 is annexed to the Notice.
2. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and the Secretarial Standards on General Meetings issued by the ICSI, as amended (“Secretarial Standard - 2”), the details of Directors retiring by rotation and proposed to be appointed /re-appointed at the AGM is provided in ‘Annexure 1’ & Annexure 2 and the details of the MD & CEO, whose remuneration for the financial year 2024-25 is proposed is provided in ‘Annexure 3’ to the Notice.
3. The Ministry of Corporate Affairs (“MCA”) vide its general circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 2/2022, 3/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 and the latest being No.09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and the Securities and Exchange Board of India (the “SEBI”) vide its SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated January 05, 2023 and October 7, 2023, respectively, and other relevant circulars issued by the MCA and SEBI from time to time, (collectively referred to as the “SEBI Circulars”), has permitted companies to hold annual general meetings through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) without the physical presence of the members at a common venue, till September 30, 2024. Accordingly, in compliance with the provisions of the Act, SEBI Listing Regulations and the applicable Circulars, the 16th AGM of the Bank is being convened and conducted through VC/OAVM mode, without the physical presence of members. Hence, Members can attend and participate in the AGM through VC/OAVM.
4. In accordance with the Secretarial Standard-2, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Bank, which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Bank. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars read with relevant SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned certified true copy (PDF/JPEG Format) of its Board or governing body resolution/ Authorization etc., authorizing its representative on its behalf to attend the AGM through VC / OAVM and to vote electronically either during the remote e-voting period or during the AGM together with attested specimen signature(s) of the duly authorised representative(s). The said resolution/ Authorization together with attested specimen signature(s) of the duly authorised representative(s) shall be sent to the Scrutinizer by email through its registered email address to tushar@tusharshri.com with a copy marked to evoting@kfintech.com and company.secretary@suryodaybank.com or to the Bank at its Registered Office addressed to the Company Secretary. The scanned image of the above-mentioned documents should be in the naming format “Suryoday Small Finance Bank Limited-8279”.
7. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Bank has appointed KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (“KFIN or Kfintech”), Registrar and Transfer Agent (RTA), to provide facility for e-voting and VC/OAVM facility for the AGM and the attendant enablers for conducting the e-AGM.
9. **Dispatch of AGM Notice and Annual Report:**
 - a) Notice of the AGM and Annual Report for the Financial Year 2023-24 is being sent to the Members whose names appear on the Register of Members or Register of Beneficial Owners as received from RTA as at the close of business hours on **Wednesday, August 14, 2024**. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM, and Annual Report for the Financial Year 2023 -24 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/ the Bank’s RTA [in respect of shares held in physical form] / their Depositories Participants (“DP”) [in respect of shares held in dematerialized form]. Physical copy of the same may be provided to the Members on request.
 - b) Members may note that the Notice of AGM and Annual Report for the Financial Year 2023–24 will also be available on the websites of the Bank at <https://www.suryodaybank.com>, website of the Stock Exchanges i.e. BSE Limited (<https://www.bseindia.com>), National Stock Exchange of India (<https://www.nseindia.com>) and on the website of Service Provider i.e. KFIN (<https://evoting.kfintech.com>) in compliance with the relevant Circulars.
 - c) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant DPs. Members holding shares in physical mode and who have not yet updated their e-mail address, bank details, etc., are requested to update the same by submitting duly filled in Form **ISR- 1** with relevant documents to the RTA or the Bank. Details of the same are also available on the website of the Bank at <https://www.suryodaybank.com/Availing-Investor>

The communication details of RTA is as under:

KFin Technologies Limited,
Unit: Suryoday Small Finance Bank Limited,
Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally, Hyderabad,
Rangareddy, Telangana, India - 500 032
Website: www.kfintech.com
Email id: einward.ris@kfintech.com
Toll-free number: 1800 309 4001.

10. The certificate from the Secretarial Auditors of the Bank certifying that the Bank's Employees Stock Option Schemes are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the Resolution passed by the Members of the Bank, will be available for inspection.
11. In terms of the provisions of the Act, the Register of Members of the Bank shall remain closed from **Friday, September 06, 2024 to Thursday, September 12, 2024 (both days inclusive)** for the purpose of the AGM.
12. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, PAN etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Bank's records which will help the Bank and the Bank's Registrars and Transfer Agents, Kfintech to provide efficient and better services.
13. **Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities:** SEBI vide Section V of its 'Master Circular for Registrars to an Issue and Share Transfer Agents' dated May 07, 2024, has mandated furnishing of PAN, KYC details and nomination by holders of physical securities and linking PAN with Aadhaar. Members holding shares in physical mode and who have not yet updated their KYC, including e-mail address, mobile no., bank details, etc., are requested to update the same by submitting duly filled in Form ISR-1 with relevant documents to the RTA or the Bank. Similarly, for updation of signature, Form ISR-2; for nomination, Form No. SH 13; for change in nomination, Form No. SH 14; and for opt out of nomination, Form ISR -3; and for cancellation of nomination, Form ISR-3, along with Form No. SH 14, duly filled in all respect, with relevant documents, shall be submitted to the RTA or the Bank. The detailed process of submission of PAN, KYC details and nomination, along with necessary forms, are available on the website of the Bank.
14. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue the securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR - 4 (along with relevant documents), the format of which is available on the Bank's website under the weblink at <https://www.suryodaybank.com/Availing-Investor> and on Bank's RTAs website at <https://ris.kfintech.com/>.
15. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH 13 in duplicate, duly filled in, to the Registered Office of the Bank or to the Bank's RTA viz. Kfin Technologies Limited at the above-mentioned address. Members holding shares in demat form may contact their respective DP for recording of nomination.
16. Members, whether holding shares in electronic or physical mode, are requested to quote their DP ID & Client ID or Folio No. for all correspondences with the Bank/RTA.
17. NRI Members are requested to:
 - a) change their residential status on return to India permanently;
 - b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, IFSC code, MICR code, account number and address of the bank with PIN Code no., if not furnished earlier.
18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form, with effect from April 1, 2019, except in case of request received for transmission or transposition of securities held in physical form. In view of this and to eliminate all risks associated with physical shareholding, Members holding shares in physical form are requested to consider converting their physical holding in securities into electronic form.
19. Pursuant to the provisions of the circulars of MCA on the VC/OAVM (e-AGM):
 - a) Members can attend the meeting through login credentials provided to them to connect to VC/OAVM facility. Physical attendance of the Members at the Meeting venue is not required.
 - b) Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c) Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
20. Members can join the AGM in the VC/OAVM mode 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 15th AGM through VC/OAVM will be made available for up to 1000 Members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more of the paid-up share capital), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors, scrutinizers, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
21. The attendance of the Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum, under the provisions of Section 103 of the Act read with the relevant Circulars.
22. All documents referred to in this Notice and the Explanatory Statement setting out the material facts in respect of the Special Businesses and the Statutory Registers, will be made available for inspection by the Bank during the AGM and Members seeking to inspect the same are requested to send an email to company.secretary@suryodaybank.com
23. Members seeking any information with regard to accounts or operations are required to write to the Bank at least seven days prior to the date of meeting through email at: company.secretary@suryodaybank.com with their name, folio No. / DP ID and Client ID, so as to enable the management to keep the information ready. The same will be replied by the Bank suitably.
24. Members who would like to express their views or wish to post their questions with regard to the accounts or any matter to be placed at the AGM, prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the e-mail received from Kfintech. On successful login, select 'Post Your Question' option, which will be made effective from **Saturday, September 07, 2024 (9.00 a.m. IST) to Wednesday, September 11, 2024 (5:00 p.m. IST)**. Please note that questions of only those Members will be entertained / considered who are holding shares of the Bank as on the Cut-off date i.e. **Thursday, September 05, 2024**.

25. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available at the download section on the website (*bottom corner*) of our RTA at <https://evoting.kfintech.com> or may also call RTA at toll free No. 1800-309-4001 for any further clarifications.
26. Due to limitations of transmission and coordination during the Q & A session, the Bank may dispense with the speaker registration during the e-AGM session.
27. Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. You may visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will open from **Saturday, September 07, 2024 (9.00 a.m. IST) to Wednesday, September 11, 2024 (5:00 p.m. IST)**. Members shall be provided with a 'queue number' before the meeting. The Bank reserves the right to restrict the number of speakers at the AGM depending on the availability of time for the AGM. Those Members who have registered themselves as Speakers will be allowed to express their views/ask questions during the AGM.
28. In case of any dispute against the Bank and/or its RTA, regarding delay or default in processing/ wrongful rejection of investor service request(s), the concerned Shareholders can file for arbitration with Stock Exchange. For more details, please refer to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/76 dated May 30, 2022 and/or the following web links of the Stock Exchanges: BSE:- <http://tiny.cc/m1l2vz> and NSE:- <http://tiny.cc/s1l2vz> . In case investors need any assistance in filing complaints on SCORES, you may call on SEBI toll free helpline number: 1800 266 7575 and 1800 22 7575.

VOTING THROUGH ELECTRONIC MEANS (e-voting)

29. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Kfintech, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:
30. The remote e-voting period would commence on **Saturday, September 07, 2024 (9.00 a.m. IST) and end on Wednesday, September 11, 2024 (5:00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Thursday, September 05, 2024** i.e. Cut-off date, may cast their vote electronically. Those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions earlier through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
31. Members whose names appear on the Register of Members or in the Register of Beneficial Owners as the close of business hours on **Thursday, September 05, 2024** will be considered for the purpose of voting. In compliance with provisions of Section 108 and 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Bank is pleased to offer e-voting facility to its Members holding equity shares as on that date i.e. **Thursday, September 05, 2024** to exercise votes through electronic voting system ('remote e-voting') on the e-voting platform provided by the RTA.
32. Any person who becomes a member of the Bank after sending of the Notice and holding shares as of the Cut-off date i.e. **Thursday, September 05, 2024**, may obtain the login ID and password by sending a request at evoting@Kfintech.com However, if he / she is already registered with Kfintech for remote e-voting then he /she can use his / her existing User ID and password for casting the vote.
33. A person who is not a member as on the Cut-off date should treat this Notice for information purposes only.
34. The Board of Directors has appointed Mr. Tushar Shridharani, Practicing Company Secretary (FCS No. 2690 & C.P No.: 2190), Mumbai and failing him, Ms. Nandini Parekh, Practicing Company Secretary (FCS No: 6240 & CP No. 5760) as the Scrutinizer to scrutinize remote e-voting process and the e-voting during the AGM in a fair and transparent manner. The Scrutinizer shall, immediately after conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-voting during the AGM, in the presence of at least two witnesses not in employment of the Bank and submit not later than 2 working days of the conclusion of the Meeting, the consolidated Scrutinizer's Report in respect of the total votes cast in favour and against in respect of each of the Resolution(s) as set out in the Notice of the AGM, to the Chairman of the Board or to any one of the Directors duly authorized by the Board, in this regard, who shall countersign and declare the same.

The Results in respect of the Resolution(s) as set out in the Notice of the AGM, so declared, along with the consolidated Scrutinizer's Report will be communicated to the Stock Exchanges and will be uploaded on the website of the Bank www.suryodaybank.com and on the website of KFIN i.e. <https://evoting.kfintech.com> not later than two working days of the conclusion of the AGM of the Bank. The said Results will also be displayed at the Registered Office of the Bank, in accordance with the Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions.





35. Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
36. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Bank as on the Cut-off date i.e. **Thursday, September 05, 2024**.

THE DETAILS OF THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE EXPLAINED HEREIN BELOW:

- A. Login method for remote e-voting: Applicable only for Individual shareholders holding securities in Demat Mode.
- B. Login method for e-voting: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat).
- C. Instructions for Members for attending the AGM through VC/OAVM and e-voting during the meeting.

A. Login method for remote e-voting: Applicable only for Individual shareholders holding securities in Demat Mode

OPTION 1 - LOGIN THROUGH DEPOSITORIES:

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> 1. Members who have already registered and opted for IdeAS e- Services facility of NSDL to follow below steps: <ol style="list-style-type: none"> 1) Go to URL: https://eservices.nsdl.com 2) Click on the “Beneficial Owner” icon under “Login” under “IdeAS” section. 3) On the new page, enter existing User ID and Password. Post successful authentication, click on “ Access to e-Voting” under Value Added Services on the panel available on the left-hand side. 4) Click on the “Active E-voting Cycles” option under E-voting. 5) Click on the e-Voting link available against ‘Suryoday Small Finance Bank Limited ’ or select e-Voting service provider ‘KFintech’ and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-voting period. 2. For those Members who have not registered for the IdeAS e-Services facility of NSDL <ol style="list-style-type: none"> 1) To register click on link: https://eservices.nsdl.com (Select option “Register Online for IdeAS” available on the left hand side of the page or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp) 2) Proceed with complete registration using your DP ID, Client ID, Mobile number etc. 3) After successful registration, please follow steps as given in point 1 above to cast your vote. 3. First-time users can visit the e-voting website directly and follow the process below: <ol style="list-style-type: none"> 1) Go to URL: https://www.evoting.nsdl.com/ 2) Click on the icon “Login” which is available under “Shareholder/Member/ Creditor’ section”. 3) A new screen will open. Enter User ID (that is, 16-digit demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL’s e-voting platform)/ through the generation of OTP (in case your mobile/ e-mail address is registered in your demat account) and Verification Code as shown on the screen. 4) Post successful authentication, you will be redirected to NSDL Depository site. Click on the “Active E-voting Cycles/ VC or OAVM” option under E-voting . 5) Click on the e-Voting link available against ‘Suryoday Small Finance Bank Limited ’ or select e-Voting service provider ‘KFintech’ and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-voting period. 4. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for a seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Members who have already registered and opted for Easi/ Easiest facility of CDSL to follow below steps: <ol style="list-style-type: none"> 1) Go to URL: https://web.cdslindia.com/myeasitoken/Home/Login or 2) Login with your registered username and password for accessing Easi/ Easiest. 3) The option will be made available to reach e-voting page without any further authentication. 4) Click on the e-Voting link available against ‘Suryoday Small Finance Bank Limited’ or select e-Voting service provider ‘KFintech’ and you will be re-directed to e-Voting service provider website (i.e. KFintech) for casting the vote during the remote e-voting period. 2. For those Members who have not registered for the Easi/Easiest facility of CDSL <ol style="list-style-type: none"> 1) Option to register is available at: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration 2) Proceed with completing the required fields, using your DP ID – Client ID (BO-ID). 3) After successful registration, please follow the steps as given in point 1 above. 3. First-time users can visit the e-voting website directly and follow the process below: <ol style="list-style-type: none"> 1) Click on the link: https://evoting.cdslindia.com/Evoting/EvotingLogin 2) Provide demat Account Number and PAN No. 3) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. 4) After successful authentication, you will be directed to e-voting module of CDSL. 5) Click on the e-Voting link available against “Suryoday Small Finance Bank Limited” or select e-voting service provider “KFintech” and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.

Option 2 - Login through Depository Participants

Individual Shareholder login through their demat accounts / Website of Depository Participant

- Individual Shareholders holding shares of the Bank in Demat mode can also access e-voting facility provided by the Bank using login credentials of their demat account through websites of Depository Participant (DPs) registered with NSDL/CDSL for e-voting facility.
- Once logged-in, you will be able to see e-voting option. Click on e-voting option and you will be redirected to NSDL/CDSL Depository site (as may be applicable) after successful authentication wherein you can see e-voting feature.
- Click on the e-Voting link available against “**Suryoday Small Finance Bank Limited**” or select e-Voting service provider name i.e. **KFintech** and then it will be redirected to e-voting page of service provider website of KFintech for casting your vote during the remote e-voting period without any further authentication.

Important Notes:

Members who are unable to retrieve User ID / Password are advised to use “Forgot user ID”/ “Forgot Password” options available at respective websites of Depositories/ Depository participants.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL are as under:

<u>Login type</u>	<u>Helpdesk details</u>
Individual Shareholders holding securities in demat mode with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 or 1800 22 44 30 or call at 022 – 48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at toll-free no 1800 22 55 33 or call at 022- 23058738, 23058542-43

B. Login method for e-voting: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat):

- Members whose email IDs are registered with the Bank/ Depository Participants (s), will receive an email from RTA i.e. KFintech which will include details of e-voting Event Number (EVEN)- i.e. [8279] , USER ID and password. Members are requested to use these credentials at below mentioned URL. You need to follow the following process:
 - Please access the RTA’s e-voting platform at the URL: <https://evoting.kfintech.com/>
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (e-voting Event Number) [8279], followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote. If you have forgotten the password, then you may click “**forgot password**” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - After entering these details appropriately, click on “**LOGIN**”.
 - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
 - Once the password is changed ,you need to login again with the new credentials.
 - On successful login, the system will prompt you to select the “**EVENT**” i.e. “**Suryoday Small Finance Bank Limited-[EVEN NO. 8279]**” and click on “**Submit**”.
 - On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “**FOR/AGAINST**” or alternatively, you may partially enter any number in “**FOR**” and partially “**AGAINST**” but the total number in “**FOR/AGAINST**” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option **ABSTAIN**. If the Member does not indicate either “**FOR**” or “**AGAINST**” it will be treated as “**ABSTAIN**” and the shares held will not be counted under either head.
 - Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as **abstained**.
 - You may then cast your vote by selecting an appropriate option and click on “**Submit**”.
 - A confirmation box will be displayed. Click “**OK**” to confirm or else “**CANCEL**” to modify. Once you have voted on the Resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to cast vote on their behalf through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id tushar@tusharshri.com with a copy marked to evoting@kfintech.com . The scanned image of the above-mentioned documents should be in the naming format “**Suryoday Small Finance Bank Limited-[EVEN NO. 8279]**”.
 - In case of any query pertaining to e-voting, please refer ‘Help’ or FAQs’ and ‘User Manual for shareholders’ available at the ‘Download’ section on the website (bottom corner) of the RTA at <https://evoting.kfintech.com/> . Member may also call RTA at toll free number 1-800-3094-001 or send an e-mail request to inward.ris@kfintech.com for all e-voting related matters.

- (xiv) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (xv) Members whose E-mail IDs are not registered with the Bank / DPs and consequently have not received the Notice of Annual General Meeting and e-voting instructions, will have to follow the following process:
 - In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by e-mail to Registrar & Transfer Agent i.e. einward.ris@kfintech.com
 - Members may send an e-mail request at einward.ris@kfintech.com along with scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested copy of PAN and copy of Client Master for sending the Notice of Annual General Meeting and the e-voting instructions.
 - After receiving the e-voting instructions, please follow all the steps mentioned below to cast your vote by electronic means.

C. Instructions for Members for attending the AGM through VC/OAVM and e-voting during the Meeting.

- (i) Members will be provided with a facility to attend the e-AGM through VC/OAVM provided by RTA i.e. KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Bank/KFintech. After logging in, click on the **Video Conference** tab and select the EVEN (i.e. **8279**) of the Bank. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions as mentioned above.
- (ii) Facility for joining AGM through VC/ OAVM mode shall open 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time of the commencement of the Meeting.
- (iii) The e-voting window shall be activated upon instructions of the Chairman during the AGM proceedings. Upon the declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the “Vote” sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page. Members would need to click on the “Instapoll” icon and follow the instructions to vote on the resolutions. Only those shareholders, who are present in the AGM and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the e-AGM.
- (iv) Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- (v) Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vi) While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. The use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- (vii) Only those Members who will be present in the e-AGM through video conference facility and have not cast their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM.
- (viii) Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.
- (ix) A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- (x) Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.
- (xi) In case a person has become a Member of the Bank after dispatch of AGM Notice but on or before the Cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- (xii) Members can also use SMS service to get the credentials if their mobile number is registered against Folio No. / DP ID Client ID, by sending SMS: MYEPWD <space> EVEN No. +Folio No. (in case of physical shareholders) or MYEPWD <space> DP ID Client ID (in case of shares held in DEMAT form) to 9212993399.
 - 1) Example for NSDL:
 - 2) MYEPWD <SPACE> IN12345612345678
 - 3) Example for CDSL:
 - 4) MYEPWD <SPACE> 1402345612345678
 - 5) Example for Physical:
 - 6) MYEPWD <SPACE> XXXX1234567890
- (xiii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (xiv) Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .
- (xv) A video guide assisting the Members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/emeetings/video/howitworks.aspx> .

INSTRUCTIONS FOR MEMBERS FOR VOTING DURING THE E-AGM SESSION- "INSTA POLL":

- (i) Members / shareholders, attending the AGM through Video Conference and who have not cast their vote on resolutions through Remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. Members who have voted through Remote e-voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.
- (ii) The e-voting window shall be activated upon instructions of the Chairman during the AGM. The Chairman shall formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in this Notice of 16th AGM and shall also announce the start of the casting of the vote at AGM through the e-voting platform of our RTA - KFintech and thereafter the e-voting at AGM shall commence. Upon the declaration by the Chairman about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.
- (iii) Members to click on the "Instapoll" icon to reach the Resolution page and follow the instructions to vote on the Resolutions. The facility of Instapoll will be available during the time not exceeding 15 minutes from the commencement of e-voting as declared by the Chairman at AGM and can be used for voting only by those Members who hold shares as on the Cutoff Date viz. **Thursday, September 05, 2024**, and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

Summarized information at a glance:

Particulars	Details
Time and date of AGM	Thursday, September 12, 2024 at 03.30 pm Indian Standard Time ("IST")
Venue/Mode	Video Conferencing/Other Audio-Visual Means
Link for attending AGM through VC/OAVM	https://emeetings.kfintech.com
Link for remote e-voting (Please use as applicable to you)	https://evoting.kfintech.com https://eservices.nsdl.com https://evoting.cdslindia.com/Evoting/EvotingLogin
Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using their remote e-voting credentials. Please refer the detailed instructions available in the Notice
Helpline number for VC participation and e-voting	Please contact to KFin Technologies Limited ('KFintech') at 1800-309-4001 or write to them at evoting@kfintech.com
Cut-off date for e-voting	Thursday, September 05, 2024
Remote e-voting Start time and date	Saturday, September 07, 2024 at 9:00 a.m. (IST)
Remote e-voting end time and date	Ends on Wednesday, September 11, 2024 at 5:00 p.m. (IST)
Book closure dates	Friday, September 06, 2024 to Thursday, September 12, 2024 (both days inclusive)
Last date for publishing results of the e-voting	On or before September 14, 2024 (Within 2 Working days of date of AGM)
E-voting Event Number (EVEN)	8279
Registrar and Share Transfer Agents Contact details	Mr. Umesh Pandey, Manager KFin Technologies Limited ("KFIN or KFintech") Unit: Suryoday Small Finance Bank Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 Email ids: einward.ris@kfintech.com ; umesh.pandey@kfintech.com Website: https://www.kfintech.com Toll free number: 1800-309-4001
Bank's contact details	Company Secretary and Compliance officer Mr. Krishna Kant Chaturvedi Contact No.: (022) 4185 6700/ 7420062129 Email id: company.secretary@suryodaybank.com ; shr.relations@suryodaybank.com
Link of disclosures on Stock Exchange website and Company website	NSE - https://www.nseindia.com/ BSE - https://www.bseindia.com/ Bank's website : https://www.suryodaybank.com/

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

Pursuant to Section 102 of the Companies Act, 2013 (the “Act”), the following statement sets out all the material facts relating to the businesses mentioned in the accompanying Notice convening the 16th AGM of the Bank (the “Notice”) and should be considered as part of the Notice.

Item No. 3 : To approve the appointment of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W), as Statutory Auditors of the Bank

M/s. Walker Chandio & Co. LLP, Chartered Accountants (Firm Registration Number 001076N/N500013), the existing Statutory Auditors of the Bank, who had been appointed for a period of Three (3) years, i.e. from the conclusion of Thirteen (13th) AGM until the conclusion of Sixteenth (16th) AGM of the Bank, pursuant to the approval granted by the RBI vide letter no. Ref CO.DOS.RPD. No. S872 /08-62-005/2021-2022, dated August 13, 2021, would be retiring after conclusion of this AGM, in accordance with the Guidelines for the appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFs (including HFCs) (the “RBI Guidelines”) issued by the Reserve Bank of India (“RBI”) on April 27, 2021.

Accordingly, basis the recommendation of the Audit Committee at its meeting held on October 27, 2023, the Board of Directors had considered and made onward recommendation to the RBI names of the Two (2) audit firms in the order of preference, considering the profile, experience, and specialization in the audit of banking and financial services sector, for seeking approval of RBI to appoint one amongst them as Statutory Auditors of the Bank to hold office for a period of Three (3) years from the conclusion of Sixteen (16th) AGM until the conclusion of the Nineteen (19th) AGM of the Bank, for the purpose of the audit of the Banks’ Financial Statements for the Financial Years 2024-25 upto 2026-27, subject to the approval of RBI on an annual basis, on the remuneration to be fixed by the Board of Directors (including the Audit Committee of the Board) of the Bank.

The RBI vide letter Ref CO. DOS. RPD. No.S804/08.68.005/2024-25 dated May 2, 2024, accorded its approval for the appointment of M/s. Mukund M Chitale & Co., Chartered Accountants (Firm Registration Number 106655W) as the Statutory Auditors of the Bank for FY 2024-25, being the first year.

M/s. Mukund M Chitale & Co. (“MMC”), Chartered Accountants (Firm Registration Number 106655W), has conveyed their consent to be appointed as the Statutory Auditors of the Bank and have confirmed that they meet the eligibility criteria and conditions of independence of Auditors as prescribed under the applicable provisions of Section 141 of the Companies Act, 2013 read with the relevant rules made thereunder. Further, the Bank has also received an eligibility certificate from M/s. Mukund M Chitale & Co. (“MMC”), Chartered Accountants (Firm Registration Number 106655W) in Form-B, as prescribed under aforesaid RBI Guidelines. The brief profile of the firm is as follows:

MMC is a partnership firm established in 1973, with various offices across the country and having 10 partners and 44 paid associates and having staff strength of 175 employees. MMC is having strong presence among BFSI clients and is also engaged in statutory audits of some of the large companies in multiple sectors.

Basis the approval of the Members, the audit fees for FY 2024-25 to the Statutory Auditors would be decided by the Audit Committee in consultation with the Statutory Auditors and the remuneration paid to the Statutory Auditors will be disclosed in the Report on Corporate Governance as well as the Financial Statements of the Bank on an annual basis.

Accordingly, approval of the shareholders of the Bank is being sought for appointment of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W) as the Statutory Auditors of the Bank to hold office for period of Three (3) years from the conclusion of Sixteen (16th) AGM until the conclusion of Nineteen (19th) AGM.

None of the Directors and Key Managerial Personnel of the Bank and their relatives are in any way concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 3 of this Notice.

The Board recommends the Resolution set out at Item No. 3 of the Notice for approval of Members, as an **Ordinary Resolution**.

Item No. 4: To re-appoint of Mr. John Arunkumar Diaz (DIN: 00493304) as an Independent Director of the Bank.

Pursuant to the Section 149(10) of the Companies Act, 2013 (the “Act”), an Independent Director can hold office for a term of upto Five (5) consecutive years on the Board of a company, and he / she is eligible for re-appointment for an additional term of Five (5) consecutive years, on passing of a special resolution by the company. However, in case of banking companies, which are governed under Section 10A(2A) of the Banking Regulation Act, 1949, the overall tenure of a Non-Executive Director is restricted for a period of Eight (8) consecutive years.

Mr. John Arunkumar Diaz (DIN: 00493304) (Mr. Arun Diaz) was appointed as an Independent Director of the Bank for a period of Five (5) consecutive years with effect from December 16, 2019, to hold office up to December 15, 2024. Accordingly, the first term of Mr. Diaz as an Independent Director of the Bank, would be expiring at the close of Business hours on December 15, 2024.

Further, the RBI vide Circular No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021, prescribed that the upper age limit for Non-Executive Directors, including the Chair of the board, shall be 75 years and after attaining the age of 75 years no person can continue in these positions.

Considering the above, Mr. Arun Diaz could be re-appointed for a period of 3 years or upto attaining the Age of 75 years, whichever is earlier.

The Nomination and Remuneration Committee ("NRC") at its meeting held on July 24, 2024, had assessed the profile of Mr. Diaz and having found him to be 'Fit and Proper' in terms of the Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks, recommended his appointment to the Board of Directors. In terms of Sections 149, 152 read with Schedule IV of the Act and other applicable provisions, the Board of Directors of the Bank at their meeting held on August 01, 2024, basis the recommendation of the NRC, reviewed the profile of Mr. Arun Diaz and the declarations provided by him and approved his re-appointment for the second term, effective from December 16, 2024 to August 08, 2026 (*both days inclusive*), subject to the approval of members of the Bank.

Mr. Arun Diaz has the requisite qualifications, skills, experience and expertise in specific functional areas, and in the opinion of the Board his re-appointment would be beneficial to the Bank.

Brief Profile of Mr. Arun Diaz (DIN: 00493304) in terms of Regulation 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, has been provided as **Annexure 2** to this Notice.

Mr. Arun Diaz's appointment is in compliance with the provisions of Section 149(10) of the Companies Act 2013 and Section 10A of the Banking Regulation Act, 1949. The terms & conditions applicable to Independent Director(s) of the Bank, as hosted on the website of the Bank, are applicable to Mr. Arun Diaz.

In view of the provisions of the Companies Act 2013 and the Banking Regulation Act 1949 and as per the terms and conditions of appointment of Independent Directors, the proposal for the re-appointment of Mr. Arun Diaz as an Independent Director, for second term, effective from December 16, 2024 to August 08, 2026 (*both days inclusive*), i.e. until attaining the age of 75 years, as permissible under abovementioned RBI Circulars and Regulations, has been put up for the approval of the Members.

Mr. Diaz is not related to any other Directors or Key Managerial Personnel of the Bank.

Save and except for Mr. Arun Diaz and his relatives, none of the Directors and the Key Managerial Personnel of the Bank and their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set out in Item No. 4 of this Notice.

The Board recommends the Resolution set out at Item No. 4 of the Notice for approval of Members, as a **Special Resolution**.

Item No.5 - To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2024-25

Mr. Baskar Babu Ramachandran promoted Suryoday Micro Finance Private Limited in 2008 and was the Managing Director of the Company which got converted into the Bank in January 2017. He has been the Managing Director and Chief Executive Officer ("MD & CEO") of the Bank w.e.f. January 23, 2017. He was re-appointed for a period of Three (3) years from January 23, 2020, with the approval of the Reserve Bank of India ("RBI") and the Members of the Bank vide Special Resolution passed at the Extra Ordinary General Meeting held on July 27, 2020. He was re-appointed for a further period of Three (3) years effective from January 23, 2023 to January 22, 2026, with the approval of the RBI vide its letter No. DoR.GOV. No. S6124/29.44.006/2022-23 dated December 26, 2022, and Members of the Bank via Special Resolution passed at the 14th AGM of the Bank held on August 26, 2022.

The remuneration of MD & CEO is subject to prior approval of RBI and approval of Members of the Bank, on the basis of recommendations of the Nomination and Remuneration Committee of the Board ("NRC") and the Board of Directors. The remuneration of the MD & CEO is also subject to the provisions of the Act, Banking Regulation Act, 1949, the RBI Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/Material Risk Takers and Control Function staff dated November 04, 2019 and the Compensation Policy of the Bank.

Accordingly, the proposal for revision of the remuneration (i.e. *Fixed Pay and Variable Pay*) of the MD & CEO for FY 2023-24 was placed before the Members of the Bank at the 15th AGM held on September 14, 2023, which was approved by the Members. Subsequently, it was also approved by the RBI on November 01, 2023.

Further, the Board of Directors at their meeting held on June 28, 2024, basis the recommendation of the NRC and subject to the approval of the Members and the RBI, had recommended remuneration to be paid to the MD & CEO for FY 2024-25. The Board while recommending the remuneration to the MD & CEO had considered various relevant aspects and criteria and have accordingly proposed revision in the remuneration of the MD & CEO in line with the Compensation Policy of the Bank, which is detailed in the proposed Resolution. The additional details of the MD & CEO pursuant to the requirements of SS-2 are annexed to this Notice.

The details of the Remuneration paid / payable to the MD & CEO, basis the approval granted by the Shareholders of the Bank and RBI for last 2 Years is given below:

Financial Year	Remuneration as approved by the Shareholders		Remuneration as approved by the RBI		Remuneration actually Paid / payable	
	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration
FY -2022-23	Rs. 172.92 Lakhs p.a. (including Gross Salary Rs. 155 Lakhs p.a. plus PF 7.44 Lakhs plus Gratuity 3.58 Lakhs Plus	1.5 times the fixed remuneration for FY 2021-22 which shall comprise of cash component entirely and shall be payable on a deferred basis as per the provisions of the said	Rs. 160 Lakhs p.a. (Inclusive of PF and Gratuity)	Rs. 80 Lakhs (Payable in tranches, in accordance with the RBI approval and Compensation Policy of the Bank)	Rs. 160 Lakhs p.a. (Inclusive of PF and Gratuity)	Rs. 80 Lakhs (Payable in tranches, in accordance with the RBI approval and Compensation Policy of the Bank)

	reimbursable perquisites Rs. 6.90 Lakhs)	Compensation Policy. The Variable Pay will be payable based on the performance appraisal carried out by NRC/ Board and is subject to prior approval of RBI.				
FY -2023-24	Rs. 192 Lakhs p.a.	In accordance with the Bank's Compensation Policy drawn in line with the RBI Guidelines, the maximum amount of Variable Remuneration shall be upto 1.5 times of the Fixed Remuneration, which shall comprise of cash component entirely and shall be payable on a deferred basis as per the provisions of the said Compensation Policy.	Rs. 176 Lakhs p.a. (Inclusive of PF and Gratuity)	Applied for approval RBI for an amount of Rs. 140 Lakhs for which approval is awaited	Rs. 176 Lakhs p.a. (Inclusive of PF and Gratuity)	To be paid in tranches, in accordance with the RBI approval and Compensation Policy of the Bank

Accordingly, the approval of the Members is being sought by way of Resolution at Item No. 5 of this Notice for the remuneration payable to the MD & CEO for FY 2024-25, based on the recommendations of the NRC and the Board, subject to approval of RBI, which is awaited.

Save and except Mr. Baskar Babu Ramachandran and his relatives, none of the Directors and the Key Managerial Personnel of the Bank and their relatives are in any way concerned or interested, financially or otherwise, in the Special Resolution set out in Item No. 5 of this Notice.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval of Members, as a **Special Resolution**.

Item No.6 - To approve the proposed modifications in the Suryoday ESOP Scheme 2019

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

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

It may kindly be noted that after coming into effect of the Suryoday ESOP Scheme 2019, the earlier Scheme i.e. ESOP Scheme 2016 was closed for the purpose of granting new Options, however, the Options which were already granted under the ESOP Scheme 2016, but yet to vest and the Options granted and vested but have not been exercised under ESOP Scheme 2016, were valid till their eligible exercise period under the Scheme. The total number of Options approved under both the Schemes are tabulated below:

Particulars	ESOP Scheme 2016	Suryoday ESOP Scheme 2019
Initial Pool (No of Options) in the Schemes	31,34,452	40,00,000
Less: Options Granted till July 31, 2024	34,97,950	60,48,632
Add: Options lapsed / unvested/ unexercised / cancelled and added-back to the Pool till July 31, 2024	20,92,384	23,95,632
Options Remaining in the Pool as on July 31, 2024	17,28,886	3,47,000

Out of the abovementioned pools of Options under both the Schemes, in-principle approvals of both the Stock Exchanges, where Shares of the Bank are listed (i.e. BSE and NSE) have been obtained for the following number of Options:

Particulars	ESOP Scheme 2016	Suryoday ESOP Scheme 2019
In-principle approval taken initially for Options	8,46,165	18,77,535
Options already Exercised and Shares issued against the same	61,997	54,602
Options remaining for which in-principle approval is in place	7,84,168	18,22,933

The Bank vide its letter dated May 31, 2021, had intimated to both the Stock Exchanges as under:

"This is to confirm that all Options that will get lapsed, cancelled, withdrawn, recalled, surrendered (including those having lapsed by way of forfeiture) under this EMPLOYEE STOCK OPTION SCHEME-2016 ("ESOP SCHEME 2016") shall not be added back to the number of Options to be granted as the grants under this Scheme has been discontinued."

Therefore, 17,28,886 Options under ESOP Scheme 2016, could not be further utilised for granting of Options to the employees. Accordingly, the Bank is currently granting Options only from the Suryoday ESOP Scheme 2019, wherein the remaining Options as on July 31, 2024 are 3,47,000 (Three Lakh Forty-Seven Thousand only).

The Members may kindly also note that pursuant to RBI Circular No. RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019 read with RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22 dated August 30, 2021, the Bank is under obligation to pay a part of the overall compensation to certain categories of senior Management employees of the Bank in the form of share linked instruments as variable pay with a linkage to the overall performance of the Bank, performance of the concerned Business Unit and the Individual's Performance in accordance with the Compensation Policy of the Bank, with appropriate malus and claw-back arrangements. Further, considering the growth plans of the Bank for coming years and in this regard to attract, hire and retain talented and experienced personnel from the industry, as well as to reward and motivate employees for their long association and in recognition of their dedicated service to the Bank, the Nomination and Remuneration Committee of Board ("NRC") at its meeting held on July 24, 2024 and subsequently vide Circular Resolution dated August 12, 2024 (approved on August 13, 2024) and the Board of Directors at their meeting held on August 01, 2024 and thereafter vide Circular Resolution dated August 12, 2024 (approved on August 15, 2024) recommended to add additional 40,00,000 (Forty Lakhs only) Options in the Suryoday ESOP Scheme 2019 to be utilised for granting Options to the Employees for coming years, pursuant to the approval of its Members.

After adding the 40,00,000 (Forty Lakhs only) Options in Suryoday ESOP Scheme 2019, total pool size of Options in Suryoday ESOP Scheme 2019 would be 80,00,000 (Eighty Lakhs only) Options.

Apart from the above, the NRC and the Board have also recommended the following modifications in the Suryoday ESOP Scheme 2019:

Clause No.	Existing Clause under Suryoday ESOP Scheme - 2019	Revised Clause to be replaced in Suryoday ESOP Scheme - 2019 (the proposed changes in the Scheme are recommended for approval of shareholders)	Justification for the proposed changes
1.2	This SURYODAY ESOP SCHEME-2019 has been formulated by the Compensation Committee (as defined below) of Suryoday Small Finance Bank ("Company") at its meeting held on July 30,2019. Henceforth, all grants of options shall be made under this SURYODAY ESOP SCHEME-2019; however, all grants already made under the ESOP Scheme-2016 till date shall be valid for vesting and exercising as per the provisions of the ESOP Scheme-2016	This SURYODAY ESOP SCHEME-2019 has been formulated by the Compensation Committee (as defined below) of Suryoday Small Finance Bank Limited (the "Company"/ "Bank") at its meeting held on July 30,2019. Henceforth, all grants of options shall be made under this SURYODAY ESOP SCHEME-2019; however, all grants already made under the ESOP Scheme-2016 till date shall be valid for vesting and exercising as per the provisions of the ESOP Scheme-2016	To align the defined term with the Scheme which has been interchangeably used as the Company and / or the Bank, therefore, it is proposed to modify and replace the term "Company" with the "Company"/ the "Bank".
2.1. (l)	"Exercise Price" means the price payable by the Employee for the purpose of exercising the Option granted to him/her in pursuance of this Scheme, in conformity with the applicable accounting policies of the Company. The Exercise Price shall be at the fair market value as determined by an Independent Valuer (as defined in the Articles) and approved by the Board at the time of Grant of Options.	"Exercise Price" for the purposes of this Scheme, the Exercise Price shall be as determined by the Nomination and Remuneration Committee from time to time, which shall be in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and applicable Accounting Standards, prescribed by the Institute of Chartered Accountants of India and other Guidelines, as may be applicable.	To align and link the definition of the Exercise Price in Scheme as per and in compliance with the applicable SEBI SBEB Regulations and Accounting Standards
2.1. (bb)	"Vesting Period" means the period during which the Vesting of the Employee Stock Option granted to the Employee in pursuance of the 'Suryoday ESOP Scheme-2019'.	"Vesting Period" means the period during which the Options granted to the Employee in pursuance of the 'Suryoday ESOP Scheme-2019', shall vest in accordance with Clause 8 of this Scheme.	To align and link the definition of the Vesting Period in accordance with the terms of Clause 8 the Scheme and applicable Regulations.
3.1.	The shareholders of the Company, vide special resolution passed at the Annual General Meeting held on September 26,2019 have resolved to issue not more than 40,00,000 (Forty Lakhs only) Employee Stock Options under the	The shareholders of the Bank, vide special resolution passed at the Annual General Meeting held on [September 12, 2024 i.e. the date of ensuing AGM] have resolved to issue	Pursuant to the RBI Circular No. RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, read with RBI/2021-22/95 DOR.GOV.REC.44/29.67.001/2021-22

	‘Suryoday ESOP Scheme-2019’, in one or more tranches, with each such Option conferring a right upon the Employees to apply for one Share of the Company, in accordance with the terms and conditions of such issue.	not more than 80,00,000 (Eighty Lakhs only) Employee Stock Options under the ‘Suryoday ESOP Scheme-2019’, in one or more tranches, with each such Option conferring a right upon the Employees to apply for one Share of the Bank, in accordance with the terms and conditions of such issue.	dated August 30, 2021, the Bank is under obligation to pay part of the overall compensation to certain categories of senior Management employees of the Bank in the form of share linked instruments as variable pay with a linkage to the overall performance of the Bank, performance of the concerned Business Unit and the Individual’s Performance in accordance with the Compensation Policy of the Bank, with appropriate malus and claw-back arrangements.
7.1	Total number of Options to be granted under this Suryoday ESOP Scheme -2019 is 40,00,000 (Forty Lakhs only) .	Total number of Options to be granted under this Suryoday ESOP Scheme -2019 is 80,00,000 (Eighty Lakhs only).	<p>The Bank is currently granting Options only from the Suryoday ESOP Scheme 2019, wherein the remaining Options as on July 31, 2024 are 3,47,000 (Three Lakh Forty-Seven Thousand only).</p> <p>Therefore, taking into consideration of the requirements of the abovementioned RBI Circulars and the growth plans of the Bank for coming years and in this regard to attract, hire and retain talented and experienced personnel from the industry, as well as to reward and motivate employees for their long association and in recognition of their dedicated service to the Bank, the Nomination and Remuneration Committee (<i>which acts as Compensation Committee as per requirements of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021</i>) at its meeting held on July 24, 2024 and subsequently vide Circular Resolution dated August 12, 2024 (approved on August 13, 2024) and the Board of Directors at their meeting held on August 01, 2024 and thereafter vide Circular Resolution dated August 12, 2024 (approved on August 15, 2024) recommended to add additional 40,00,000 (Forty Lakhs only) Options in the Suryoday ESOP Scheme 2019 to be utilised for granting Options to the Employees for coming years, pursuant to the approval of its Members.</p> <p>After adding the 40,00,000 (Forty Lakhs only) Options in Suryoday ESOP Scheme 2019, total pool size of Options in Suryoday ESOP Scheme 2019 would be 80,00,000 (Eighty Lakhs only) Options.</p>
8.2	Options granted would vest, in one or more tranches, after expiry of period of 1 (one) year from the date of the grant and not later than 4 (four) years from the date of Grant of such Options, as may be specified in the Letter of Grant. In addition to this, the Compensation Committee may also specify certain performance parameters subject to which the options would vest.	The Nomination and Remuneration Committee (“NRC”) shall in its absolute discretion, subject to compliance of applicable Laws, determine the Vesting Period for the Options granted pursuant to this Scheme, provided that the Options granted to Employees pursuant to this Scheme shall vest within a maximum period of Five (5) years from the Grant Date and there shall be a minimum period of One (1) year between the Grant Date and vesting of these Options. Further, the vesting schedule and conditions thereof, as decided by the NRC, shall be outlined in the grant letter of the respective Options grantee.	Modifications are proposed to provide more flexibility for deciding the terms of the Vesting in compliance of the provision of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions in this regard.
8.3	Unless otherwise specified, all Options granted on any date shall vest over a period of four years from the date of the Grant (the “Vesting	[Deleted]	Modifications are proposed to provide more flexibility for deciding the terms of the Vesting in compliance of the

	Period") in the following manner:		provision of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions in this regard, this Clause is taken care in Clause 8.2, therefore, proposed to be deleted.																		
	<table border="1"> <thead> <tr> <th>Date of Vesting</th> <th>Percentage of Options vested</th> <th>Performance based Yes/No</th> </tr> </thead> <tbody> <tr> <td>1st year vesting</td> <td>25%</td> <td>No</td> </tr> <tr> <td>2nd year vesting</td> <td>25%</td> <td>Yes</td> </tr> <tr> <td>3rd year vesting</td> <td>25%</td> <td>Yes</td> </tr> <tr> <td>4th year vesting</td> <td>25%</td> <td>Yes</td> </tr> <tr> <td>Total</td> <td>100%</td> <td></td> </tr> </tbody> </table>	Date of Vesting	Percentage of Options vested	Performance based Yes/No	1st year vesting	25%	No	2nd year vesting	25%	Yes	3rd year vesting	25%	Yes	4th year vesting	25%	Yes	Total	100%			
Date of Vesting	Percentage of Options vested	Performance based Yes/No																			
1st year vesting	25%	No																			
2nd year vesting	25%	Yes																			
3rd year vesting	25%	Yes																			
4th year vesting	25%	Yes																			
Total	100%																				
8.5	The Compensation Committee, in its absolute discretion may, subject to Applicable Law, for any Option Grantee(s) permit the Options granted, to be vested and exercised within such time and as per such terms and conditions as it may determine.	[Deleted]	The provisions of this Clause have been covered in the revised proposed Clause 8.2, therefore, it is proposed to be deleted.																		
8.7	The Compensation Committee shall have full powers to accelerate the vesting of number of Options or the Vesting Period as it may deem fit for any Option Grantee.	The Compensation Committee shall have full powers to accelerate the vesting of number of Options or the Vesting Period as it may deem fit for any Option Grantee, in compliance with the applicable SEBI Regulations and guidelines.	To ensure fullest compliance of the applicable Regulations, added the following in the existing Clause 8.7: 'in compliance with the applicable SEBI SBEB Regulations and related Accounting Guidelines'.																		
12.3	In the event of superannuation of the Option Grantee, all Options Granted and vested as on the date of superannuation may be exercised by the Option Grantee within six months from the date of superannuation.	In the event of superannuation of the Option Grantee, all Options vested and unvested as on the date of superannuation may be exercised by the Option Grantee within six months from the date of superannuation.	Modifications proposed to align with the provision of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.																		
12.4	In respect of unvested options available with the Option Grantee on the date of superannuation, the Compensation Committee shall have full powers to accelerate the vesting of the unvested Options at its discretion and in the event of such accelerated vesting, the Options may be exercised by the Option Grantee within six months from the date of superannuation.	[Deleted]	The provisions of this Clause have been covered in in Clause 12.3, therefore, it is proposed to be deleted.																		

The aforesaid proposed modifications are not / would not be detrimental to the interests of any existing option grantees. The beneficiaries of the proposed modifications / variations shall be the existing grantees as well as the employees to whom fresh Options shall be granted in future.

Given the details of amendments, rationale thereof and beneficiaries of such variation, consent of the Members is being sought by way of a Special Resolution pursuant to Regulation 7(1) of the SEBI SBEB Regulations read with Section 62(1)(b) and all other applicable provisions, if any, of the Act.

The Board recommends the Resolution set out at Item No. 6 of the Notice for approval of Members, as a **Special Resolution**.

Features of the Scheme shall remain the same as originally approved by the Shareholders, except for the provisions sought to be revised as stated above. However, the salient features of the Suryoday ESOP Scheme 2019 are reproduced in terms of the requirements of the provisions of the SEBI SBEB Regulations, as under:

a. Object and Brief description of the Employee Stock Option Scheme:

The objective of Suryoday ESOP Scheme-2019 is to grant Options to the Senior Management and other employees, in accordance with the RBI Circular No. RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, read with RBI Circular No. RBI/2021-22/95 DOR.GOV.REC.44/ 29.67.001/2021-22 dated August 30, 2021 and in compliance with the provisions of the SEBI SBEB Regulations and applicable provisions of the Companies Act, 2013, considering the growth plans of the Bank and in this regard to attract, hire and retain talented and experienced personnel from the industry, as well as to reward and motivate employees for their long association and in recognition of their dedicated services to the Bank.

b. Total number of options/shares to be granted under the ESOP Scheme:

Total number of Options to be granted under the Suryoday ESOP Scheme -2019 was initially 40,00,000 (Forty Lakhs only). The Board of Directors at their meeting held on August 01, 2024 and thereafter vide Circular Resolution dated August 12, 2024 (approved on August 15, 2024) recommended to add additional 40,00,000 (Forty Lakhs only) Equity Stock Options in the Suryoday ESOP Scheme 2019 to be utilised for granting Options to the Employees for coming years, pursuant to the approval of the Members of the Bank. After adding the 40,00,000 (Forty Lakhs only) Equity Stock Options in Suryoday ESOP Scheme 2019, total pool size of Options in Suryoday ESOP Scheme 2019 would be 80,00,000 (Eighty Lakhs only) Options convertible into

equivalent number of Equity Shares of the nominal value of Rs. 10 (Rupees Ten only) per Equity Share under Suryoday ESOP Scheme 2019.

c. Identification of classes of employees entitled to participate in the ESOP Scheme:

Only the Employees as defined hereinbefore are eligible for being granted Employee Stock Options under the 'Suryoday ESOP Scheme-2019'. The appraisal process for determining the Eligibility Criteria for the Employees would be specified by the Compensation Committee/ NRC and will be based on the criteria such as the grade of the Employee, number of years serviced, performance record, merit of the Employee, present/future potential contribution by the Employee and /or any such other criteria that may be determined by the Compensation Committee /NRC in its absolute discretion from time to time.

An employee will not cease to be an eligible Employee in case of any leave of absence approved by the Company or transfers between locations of the Company.

d. Requirements of Vesting and Period of Vesting:

Upon the Option Grantee continuing in the employment of the Company and upon compliance with the terms of the Suryoday ESOP Scheme -2019 and the Letter of Grant, the Options granted by the Company would vest in the Option Grantee.

The Nomination and Remuneration Committee ("NRC") shall in its absolute discretion, subject to compliance of applicable Laws, determine the Vesting Period for the Options granted pursuant to this Scheme, provided that the Options granted to Employees pursuant to this Scheme shall vest within a maximum period of Five (5) years from the Grant Date and there shall be a minimum period of One (1) year between the Grant Date and vesting of these Options. Further, the vesting schedule and conditions thereof, as decided by the NRC, shall be outlined in the grant letter of the respective Options grantee.

In case of performance-based vesting, the Options would vest on achievement of performance parameters as determined by the Compensation Committee. The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the Letter of Grant given to the Option Grantee at the time of grant of Options.

All Options Granted shall be exercised at an Exercise Price as stated in the grant letter. The vested Options may be exercised in parts or full during the Exercise Period.

The Compensation Committee shall have full powers to accelerate the vesting of number of Options or the Vesting Period as it may deem fit for any Option Grantee, in compliance with the applicable SEBI SBEB Regulations and Guidelines.

e. Maximum period within which the options shall be vested:

Upon the Option Grantee continuing in the employment of the Company and upon compliance with the terms of the Suryoday ESOP Scheme -2019 and the Letter of Grant, the Options granted by the Company would vest in the Option Grantee.

The Nomination and Remuneration Committee ("NRC") shall in its absolute discretion, subject to compliance of applicable Laws, determine the Vesting Period for the Options granted pursuant to this Scheme, provided that the Options granted to Employees pursuant to this Scheme shall vest within a maximum period of Five (5) years from the Grant Date and there shall be a minimum period of One (1) year between the Grant Date and vesting of these Options. Further, the vesting schedule and conditions thereof, as decided by the NRC, shall be outlined in the grant letter of the respective Options grantee.

The Compensation Committee shall have full powers to accelerate the vesting of number of Options or the Vesting Period as it may deem fit for any Option Grantee, in compliance with the applicable SEBI Regulations and guidelines.

f. Exercise Price/Pricing Formula: "Exercise Price" for the purposes of this Scheme, the Exercise Price shall be as determined by the Nomination and Remuneration Committee from time to time, which shall be in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and applicable Accounting Standards, prescribed by the Institute of Chartered Accountants of India and other Guidelines, as may be applicable.

g. Exercise period and the process of exercise: All Options vested shall be exercised by the Option Grantee within the Exercise Period which is 3 (three) years from the date of vesting.

There shall be an aggregate of Four (4) Exercise windows in a financial year and every Exercise window will be kept open for a minimum period of 10 (ten) days.

It is hereby clarified that the Options Grantee may exercise the Options vested in him/her during the Exercise windows about which all the Option Grantees will receive advance intimation from the Company.

All unexercised Options shall lapse after the expiry of 3 (three) years from the date of vesting thereof and accordingly no rights under the Letter of Grant shall survive on such lapse. There will be no separate communication intimating the lapse of Options.

h. The appraisal process for determining the eligibility of employees for the scheme(s):

Only the Employees, as defined hereinbefore are eligible for being granted Employee Stock Options under the 'Suryoday ESOP Scheme-2019'. The appraisal process for determining the Eligibility Criteria for the Employees would be specified by the Compensation Committee and will be based on the criteria such as the grade of the Employee, number of years serviced, performance record, merit of the Employee, present/future potential contribution by the Employee and /or any such other criteria that may be determined by the Compensation Committee in its sole discretion from time to time.

- i. Maximum number of options, to be offered and issued per employee and in aggregate, if any:**
The maximum number of Options issued in a Financial Year shall not exceed 1% of the share capital of the Company without the approval of the shareholders through a special resolution in a general meeting of the members of the Company.
- j. Maximum quantum of benefits to be provided per employee under a scheme(s):**
The maximum number of Options issued in a Financial Year shall not exceed 1% of the share capital of the Company without the approval of the shareholders through a special resolution in a general meeting of the members of the Company.

The Compensation Committee/NRC in its absolute discretion is authorised to determine all the terms governing the 'Suryoday ESOP Scheme-2019', subject to the compliance of the provisions of the SEBI SBEB Regulations and other applicable guidelines.
- k. Whether the scheme(s) is to be implemented and administered directly by the company or through a trust:**
The Scheme is currently implemented and administered directly by the Company. However, the Compensation Committee may, in its absolute discretion decide the procedure for formation of ESOP trust and implement 'Suryoday ESOP Scheme-2019' through ESOP trust, if and when required.
- l. Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both:**
There will be new issuance of Equity Shares by the Bank as and when the Options are exercised by the employees of the Bank.
- m. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.:**
Since, presently the Scheme is not administered through a Trust, hence Not Applicable.
- n. maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s):** Since, presently the Scheme is not administered through a Trust, hence Not Applicable.
- o. A statement to the effect that the company shall conform to the accounting policies specified in regulation 15:**
The Scheme containing clause on Accounting methods, which prescribed as under:

The Company shall follow the requirements including the disclosure requirements of the Accounting Standards prescribed by the Central Government including any Guidance Note prescribed in this behalf and the requirements of extant statutory provisions, guidelines, circulars and/or notifications issued by any regulatory bodies. This is to confirm that the Company shall follow and comply with the applicable Accounting Standards and make necessary disclosures, time-to-time, as applicable.
- p. The method which the company shall use to value its options:**
The value determined as per an intrinsic valuation carried out by an Independent Valuer (as defined in the Articles) will be used by the Company in order to value the Options under the Scheme.
- q. The following statement, if applicable:**
Method of valuing Scheme Options: The value determined as per an intrinsic valuation carried out by an Independent Valuer (as defined in the Articles) will be used by the Company / Bank in order to value the Options under the Scheme.
- r. Period of lock-in:**
The shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.
- s. Terms & conditions for buyback, if any, of specified securities covered under these regulations:**
Presently the Scheme does not provide for Buy-back, however Compensation Committee / NRC, is having absolute discretion, and may consider and determine the procedure for buy-back of Option granted under the Scheme in accordance with the applicable Regulations.

Role of Nomination and Remuneration Committee ("NRC"):

The NRC, comprising of Non-Executive Directors majority being Independent Directors, acts as the Compensation Committee under Regulation 5 of the SEBI (Share Based Employee Benefits) Regulations, 2021, which has been authorized to inter alia formulate, administer and supervise Suryoday ESOP Scheme, 2019, including framing of its terms and conditions of the Scheme as permitted under the SEBI SBEB Regulations. All questions of interpretation, dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the Suryoday ESOP Scheme 2019, shall be referred to the NRC and shall be determined by the NRC and such determination/ decision/ interpretation shall be final and binding upon all persons having an interest in or affected by the Suryoday ESOP Scheme 2019. The number of members of the NRC and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.

Dilution due to increase in the Pool by addition of 40,00,000 (Forty Lakh only) Equity Stock Options in the Suryoday ESOP Scheme 2019:

The total issued and paid-up capital of the Bank as on June 30, 2024 was Rs. 106,23,81,750 comprising of 10,62,381,75 Equity Shares of Rs. 10 each and the maximum dilution that could take place due to increase in overall pool of Equity Stock Option by adding 40,00,000 (Forty Lakh only) Equity Stock Options in the Suryoday ESOP Scheme 2019, in future, assuming all the additional Options are granted/ vested/ exercised would not exceed 3.77% of the expanded issued and paid-up share capital of the Bank. Further, assuming the additional 40,00,000 (Forty Lakh only) Equity Stock Options would vest / exercised, over a period of 5 years, then the per year dilution would be lesser than 1% of the expanded issued and paid-up share capital of the Bank.

The SEBI SBEB Regulations require that in case of any corporate action such as rights issue, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the NRC shall adjust the number and exercise price of the Options granted in such a manner that the total value of the Options granted under Suryoday ESOP Scheme 2019 remain the same after any such corporate action keeping the life of the Options intact.

The ESOP Scheme 2016, Suryoday ESOP Scheme 2019 and draft modified Suryoday ESOP Scheme 2019 shall be available for inspection of the Members during the AGM, as per the instructions for inspection provided in the Notes to the Notice of the AGM.

Approval of the members is being sought in terms of Section 62 of Companies Act, 2013 and any other applicable provisions of law, for the issue of equity stock options convertible into equity shares of the Bank to the employees of the Bank under Suryoday ESOP Scheme 2019. The Resolution(s) and the terms stated therein as also the terms stated in this explanatory statement hereinabove shall be subject to the guidelines/regulations issued/ to be issued by statutory authorities in that behalf and the Board of Directors/NRC shall have the absolute authority to vary or modify the terms hereinabove in accordance with and subject to all applicable guidelines which may be stipulated by SEBI or otherwise. Your Directors, therefore, recommend the passing of the resolution(s) as set forth in Item No. 6 of this Notice as Special Resolution. Save and except Mr. Hemant Shah, Executive Director, Mr. Kanishka Chaudhary, Chief Financial Officer and Mr. Krishna Kant Chaturvedi, Company Secretary of the Bank and their relatives to the extent of the Options, that may be granted to them from time to time under the Suryoday ESOP Scheme 2019, none of the Directors nor other Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

Registered Office:

Unit no. 1101, Sharda Terraces,
Plot No. 65, Sector 11, CBD Belapur,
Navi Mumbai 400 614
CIN : L65923MH2008PLC261472
Website: www.suryodaybank.com
E-mail: company.secretary@suryodaybank.com

**By Order of the Board of the Directors
For Suryoday Small Finance Bank Limited**

Sd/-
Krishna Kant Chaturvedi
Company Secretary & Compliance Officer
FCS 7264

Date: August 19, 2024

Place: Navi Mumbai

Annexure 1 - Information pursuant to Secretarial Standards on General meetings w.r.t. Item No. 2 of the Agenda:

Name of Director	Mr. Ranjit Jayant Shah
DIN	00088405
Age	66 years
Date of first Appointment on Board	November 2, 2018
Qualification	He holds a Bachelor's degree in electrical engineering from Indian Institute of Technology, Bombay and a Master's degree in Business Administration from the University of Michigan.
Experience/Expertise	He has several years of experience in sectors including private equity and financial services. He also co-founded and is currently a managing partner at Gaja Capital.
Terms and Conditions of Appointment or re-appointment along with remuneration	Re-appointment as a Non-Executive Non-Independent (Investor) Director, subject to retirement by rotation. No remuneration is payable to him.
The last drawn remuneration	N.A.
Shareholding in the Bank, including shareholding as a beneficial owner	Nil
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Bank	None
The Number of Meetings of the Board attended during the year	Attended 9 out of 10 Board Meetings held during the Financial Year ended March 31, 2024
Other Directorships	<ul style="list-style-type: none"> • Rams Mercantile Private Limited, • Gaja Alternative Asset Management Private Limited (<i>Formerly known as Gaja Advisors Private Limited</i>) -Whole-time Director, • Thyssenkrupp Uhde India Private Limited and • Kinara Capital Private Limited (<i>formerly known as Visage Holdings and Finance Private Limited</i>).
Memberships/Chairmanship of Committees of other Boards	He is member in the following Committees, other than Suryoday Small Finance Bank Limited: <ol style="list-style-type: none"> i. CSR Committee of Gaja Alternative Asset Management Private Limited; ii. CSR Committee of Thyssenkrupp Uhde India Private Limited; and iii. IT Strategy Committee of the Kinara Capital Private Limited
List of entities from which the concerned Director has resigned in past Three (3) year	<ol style="list-style-type: none"> i. Urbi Electronics Private Limited ii. Chumbak Design Private Limited

Annexure 2 giving information pursuant to Secretarial Standards on General meetings w.r.t. item no. 4 of the agenda:

Name of Director	Mr. John Arunkumar Diaz (Mr. Arun Diaz)
DIN	00493304
Age	73 years
Date of first Appointment on Board	Mr. Arun Diaz was appointed as Additional Director (under Independent Category) of the Bank on December 16, 2019 and thereafter his appointment was approved by the Shareholders as an Independent Director of the Bank for a period of Five years with effect from December 16, 2019 to hold office upto December 15, 2024.
Qualification	Graduate in Science (Mathematics) from University of Madras, Post-Graduate Diploma in Business Management from Xavier Labour Relations Institute, Jamshedpur
Experience/Expertise	<p>Mr. Arun Diaz have experience of 28 years in an MNC Bank based in India and overseas followed by over 18 years of experience as a Consultant in Banking Services for several International Banks. During this period Mr. Arun Diaz also assisted two Microfinance companies in their transition to SFBs.</p> <p>He has been on the board of a company in the horticulture space, including farming, providing advice and guidance to farmers and trading and exporting fruits. Has been associated with 'Aavishkaar' which has investments in companies in the Agri space. Therefore, he is familiar with the supply side of farm inputs and micro warehouses which provide avenues for small farmers to store their produce and also borrow against their grain stocks because they have e-Receipts from the warehousing company.</p> <p>He also has been on the Boards of several Small industries including an Indian ATM Manufacturer, Companies in healthcare distribution as also promoted two companies providing primary and secondary healthcare.</p>
Terms and Conditions of Appointment or re-appointment along with remuneration	Proposed for re-appointment as an Independent Director for a further term and will continue to serve as an Independent Director until he attains the age of 75 years i.e. up to August 8, 2026 not liable to retire by rotation.
The last drawn remuneration	NIL (Rs. 23.00 lakhs paid as sitting fees for attending Board and Committee meetings during FY 2023-24)
Shareholding in the Bank, including shareholding as a beneficial owner	22,000
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Bank	None
The Number of Meetings of the Board attended during the year	Attended all 10 Board Meetings held during the Financial Year ended March 31, 2024.
Other Directorships	Mr. John Arunkumar Diaz is a Nominee Director in Connect India E-Commerce Services Private Limited; Director & Member in Aavishkaar Venture Trustees Private Limited and Jeevanti Healthcare Private Limited; and Director in Arohan Financial Services Limited, Old Bridge Mutual Fund Trustee Private Limited, Synergy Health and Medical Private Limited, Lynx Health Plus Services Private Limited, Collateral Medical Private Limited, Synergy Relationship Management Services Private Limited and Microfinance Singapore Pte. Ltd. and a DP Nominee (Body Corporate) in Synergy Nexgen Products LLP.
Memberships/Chairmanship of Committees of other Boards	<p>He is the Chairperson of the following Committees other than Suryoday Small Finance Bank Limited:</p> <p>(i) Stakeholders Relationship Committee of Arohan Financial Services Limited</p> <p>He is a member of the following Committees other than Suryoday Small Finance Bank Limited.</p> <p>(i) Audit Committee, Information Technology Strategy Committee, Risk Management Committee of Arohan Financial Services Limited</p> <p>(ii) Audit Committee, Risk Management Committee of Old Bridge Mutual Fund Trustee Private Limited</p>
List of entities from which the concerned Director has resigned in past Three (3) year	<p>(i). Aavishkaar Foundation</p> <p>(ii). Vortex Engineering Private Limited</p> <p>(iii). Tribetech Private Limited</p> <p>(iv). Health Secure Hospital Care & Solutions Private Limited</p>

Annexure 3 -Information pursuant to Secretarial Standards on General meetings w.r.t. Item No. 5 of the Agenda

Name of Director	Mr. Baskar Babu Ramachandran
DIN	02303132
Age	55 years
Date of first Appointment on Board	November 10, 2008
Qualification	He holds a bachelor's degree in Mechanical Engineering from the University of Madras and a Master's degree in Business Administration from the Pondicherry University. He has participated in the management development programme for strategic management for corporate leadership conducted by Indian Institute of Management, Calcutta.
Experience/Expertise	<p>He has several years of experience in the banking and finance sector. Prior to cofounding Suryoday Micro Finance Private Limited, he was associated with various companies including GE Capital Transportation Financial Services, HDFC Bank and Cholamandalam.</p> <p>He promoted Suryoday Micro Finance Pvt Ltd. in 2008 and has been the Managing Director of the Company which got converted into the Bank in January 2017.</p> <p>He is Managing Director and Chief Executive Officer ("MD & CEO") of the Bank w.e.f. January 23, 2017.</p>
Terms and Conditions of Appointment or re-appointment along with remuneration	Mr. Baskar Babu Ramachandran was re-appointment as Managing Director and Chief Executive Officer for a further term of Three (3) years, with effect from January 23, 2023 up to January 22, 2026 not liable to retirement by rotation
The last drawn remuneration (FY-2023-24)	<ul style="list-style-type: none"> Fixed Compensation - Rs. 176 Lakhs p.a. (inclusive of retiral and perquisites). Variable Pay- The Variable Pay for the Financial Year 2023-24 is payable to the MD & CEO within the limit as approved by the Members at the 15th AGM of the Bank held on September 14, 2023 and is subject to the approval of the RBI.
Shareholding in the Bank, including shareholding as a beneficial owner	He holds 53,51,911 Equity shares (5.04%) in the Bank as on March 31, 2024.
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Bank	None
The Number of Meetings of the Board attended during the year	Attended all 10 Board Meetings held during the Financial Year ended March 31, 2024.
Other Directorships	Governing Council member in the Indian Institute of Banking and Finance.
Memberships/Chairmanship of Committees of other Boards	None
List of entities from which the concerned Director has resigned in past Three (3) year	None



Enabling Dreams, Spreading Smiles



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Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Wherever 'Bank' is mentioned it should be read as Suryoday Small Finance Bank, unless specified categorically.

We commenced our journey in the growing landscape of small finance banks a few years ago. In a very short span of time, we have crossed several milestones, but this is just the beginning for us at Suryoday.



Over the years, we have acquired millions of satisfied and smiling customers, who stand testimony to our belief that every dream big or small can be enabled if there is a powerful catalyst to transform that dream into a vibrant reality.

We have emerged as key enablers in handholding and supporting the aspirations of our valued customers through our differentiated offerings.

Customer-centricity, transparency and trust are the strong pillars of our sustainable growth. Our encouraging financial and operational performance during the financial year 2023-24 across every facet of the business reinforce the trust and support of our customers, investors and other stakeholders.

As a fast-growing small finance bank (SFB), we are well-capitalised to pursue our business priorities. Even our strategic investments in bolstering the technology infrastructure are key enablers of future growth. We are also empowering our people so that they can serve our customers efficiently and meaningfully.

With an unflinching commitment to enable dreams and spread smiles, we are providing holistic banking services to all our customers and delivering value to our stakeholders.

₹ 8,650* cr

Gross advances
(up from ₹ 6,114 crores in FY23)

₹ 6,919 cr

Disbursement
(up from ₹ 5,083 crores in FY23)

₹ 2,523 cr

Vikas Loan disbursement
(up from ₹ 1,270 crores in FY23)

₹ 7,777 cr

Deposits
(up from ₹ 5,167 crores in FY23)

* Includes IBPC of ₹ 400 crores

₹ 962.2 cr

Net Interest Income
(up from ₹ 746.6 crores in FY23)

0.8%[@]

Net Non-Performing Asset Ratio
(down from 1.5% in FY23)

[@]calculated on Gross Advances including IBPC

695

Branches
(up from 577 in FY23)

20.1%

CASA Ratio
(up from 17.1% in FY23)

Know Suryoday Better

Providing Holistic Banking Services to All



We are a new-age bank, bringing the best banking and financial solutions to the 'banked', 'under-banked' and the 'un-banked' sections of our society. Our solutions are designed to offer the choicest of benefits to our customers and act as an enabler to realise their dreams.

We were incorporated in 2008 as a private limited company in Chennai, Tamil Nadu – Suryoday Micro Finance Private Limited. Subsequently, we changed our corporate identity to become a public limited company in 2015 and rebranded ourselves as 'Suryoday Micro Finance Limited'. Thereafter, we converted to Small Finance Bank in January 2017 and have been operating since then as 'Suryoday Small Finance Bank Limited'.

Commencing our banking operations in 2017, we have come a long way, winning millions of happy customers. As we move forward, we continue to focus on quality growth, while ensuring best-in-class 'Customer Experience'.



External Credit Ratings

		
A(Stable)	A1+	A1+
Sub-Debt (ICRA)	CD Rating (ICRA)	CD Rating (CRISIL)

Our Investors

Institutional Investors



Development/Impact Funds

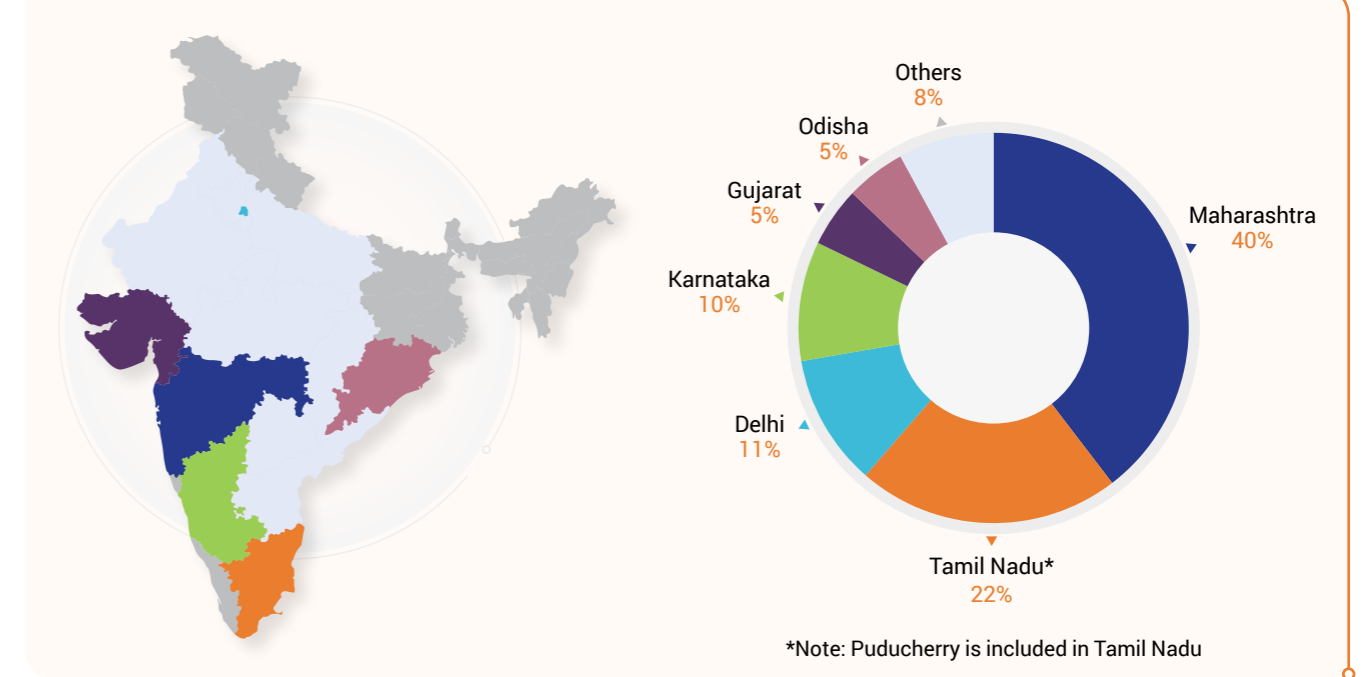


Private Equity

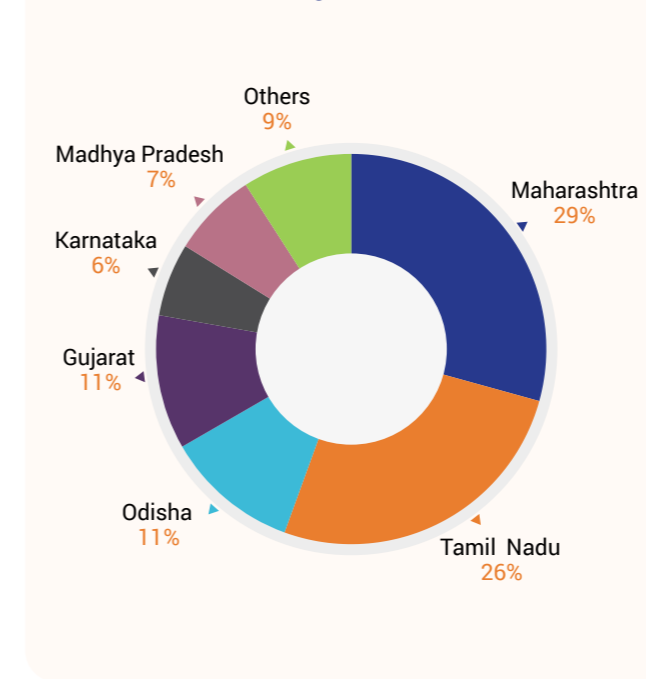


With a resolute focus on delivering financial inclusion, we are taking strides for extending the benefits of mainstream banking to the last-mile customer.

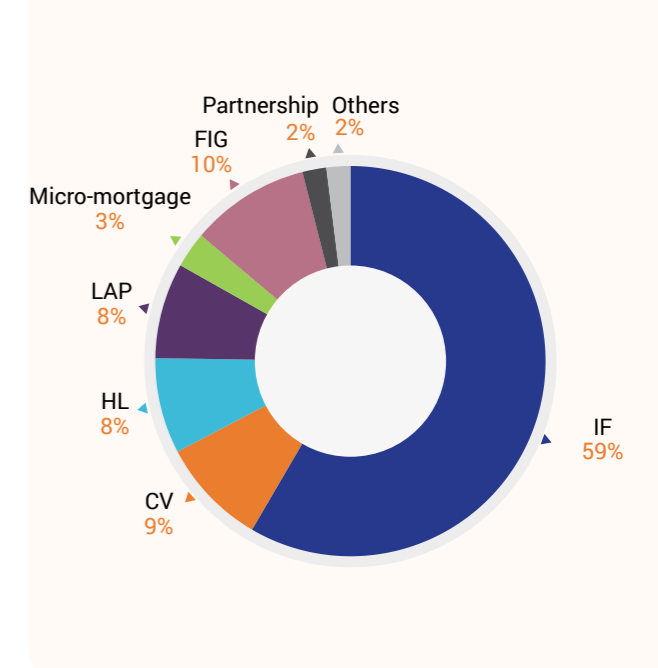
Geographic Diversification of Deposits



Asset Portfolio Mix - Regional



Asset Portfolio Mix - Product Wise



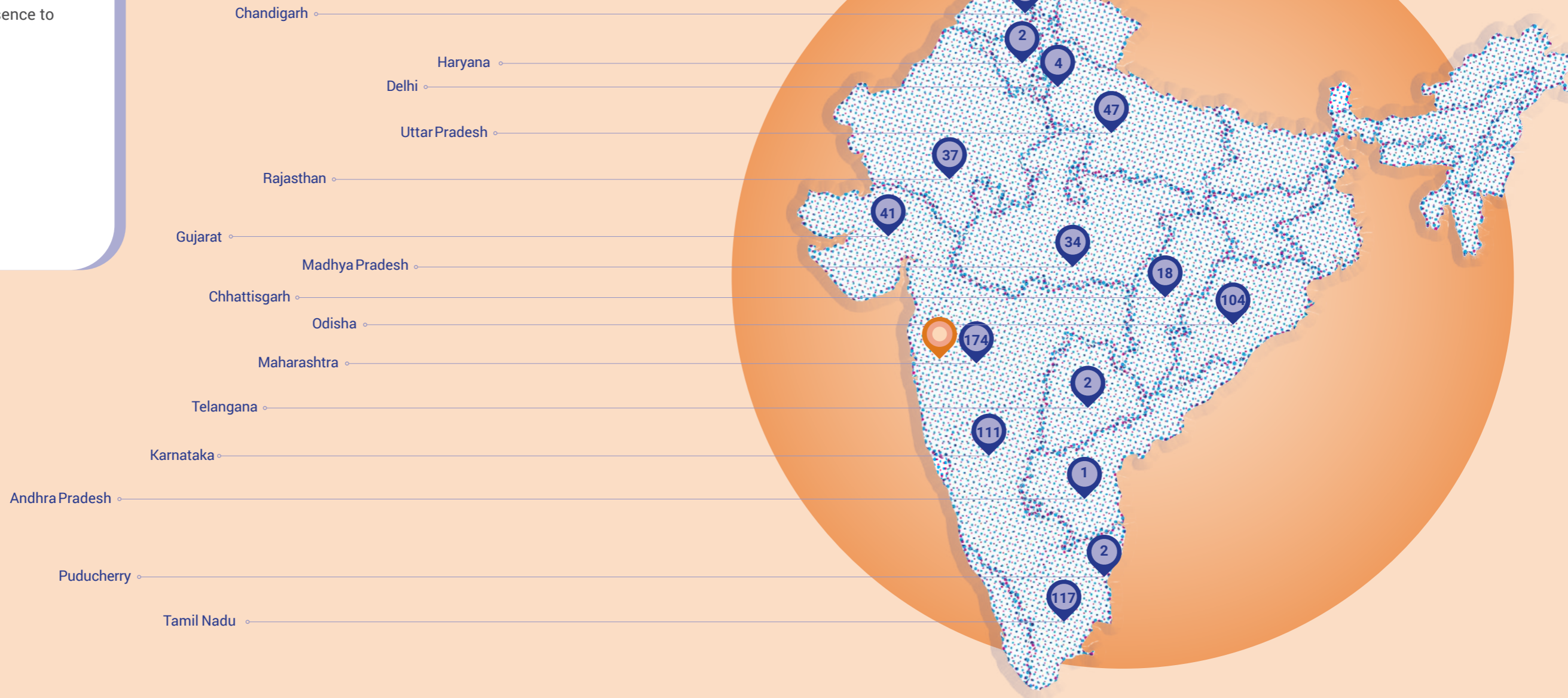
Geographic Outreach

Going the Extra Mile to Spread Smiles

We are gradually widening our network of branches, comprising asset focused, liability focused and rural centres. We are also leveraging our digital platforms such as mobile and internet banking to enhance our customer outreach.

Our head office is located in Navi Mumbai

and we have expanded our presence to various states across India:



Offerings

Enabling People, Enriching Lives

We provide a wide range of products and services, designed to meet the various financial needs of individuals, small and medium businesses and large institutional clients.

Our offerings include the following:



Joint liability group (JLG) loans

Vikas loans for micro-enterprises

Other unsecured credit facilities

Within the retail asset segment, we offer:



Affordable Housing Loans



Commercial Vehicle Loans

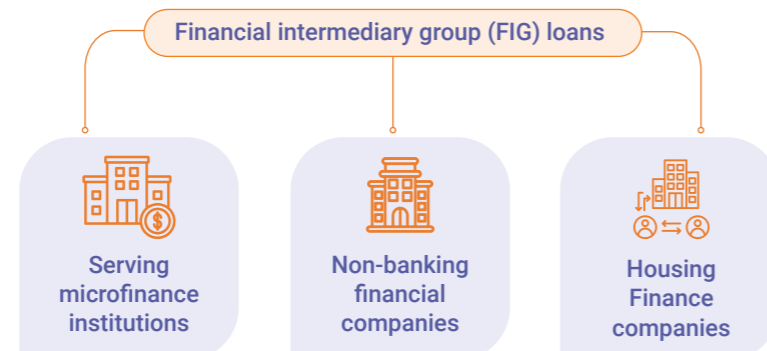


Secured Business Loans

Additionally, a comprehensive range of offerings:



We also offer:



Moreover, we render specialised services for corporate clients, including cash management services, and bespoke banking solutions. We provide end-to-end digital services, comprising mobile banking, internet banking and other digital payment solutions, enhancing convenience for tech-savvy customers and ensuring streamlined banking experiences.



Commercial Vehicle Finance

We offer our customers commercial vehicle finance for a ticket size between ₹ 2 Lakhs and ₹ 50 Lakhs, for a tenure of 1 year to 5 years, with interest rates ranging between 11% and 16% p.a. for majority of the loans.



Two-Wheeler Business Loans

Launched in 2023, our aim is to grow our two-wheeler segment through our partnership model, while serving the mobility needs of our customers.



Housing Loans

We provide budget-friendly home loans for a period spanning 3 to 20 years. Our interest rates fall between 10.5% and 11.5% p.a. for majority of the loans. Moreover, we are committed to being able to help as many customers as possible.

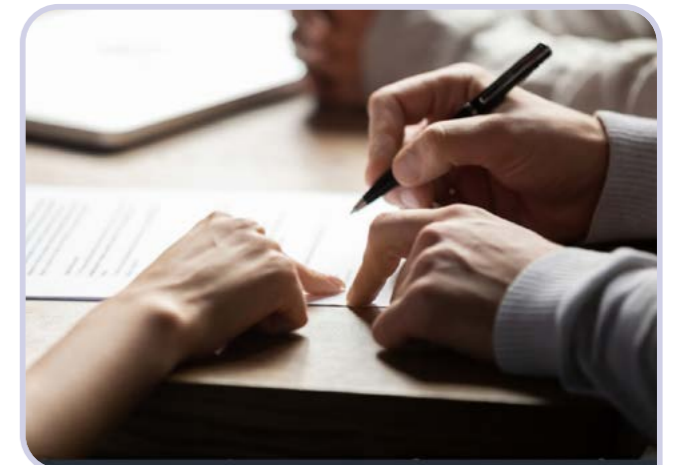


Secured Business Loans

We provide secured loans to our customers against collaterals provided by them for a tenure of 5 to 12 years, and interest rates ranging between 12.8% and 15.8% p.a. for majority of the loans.

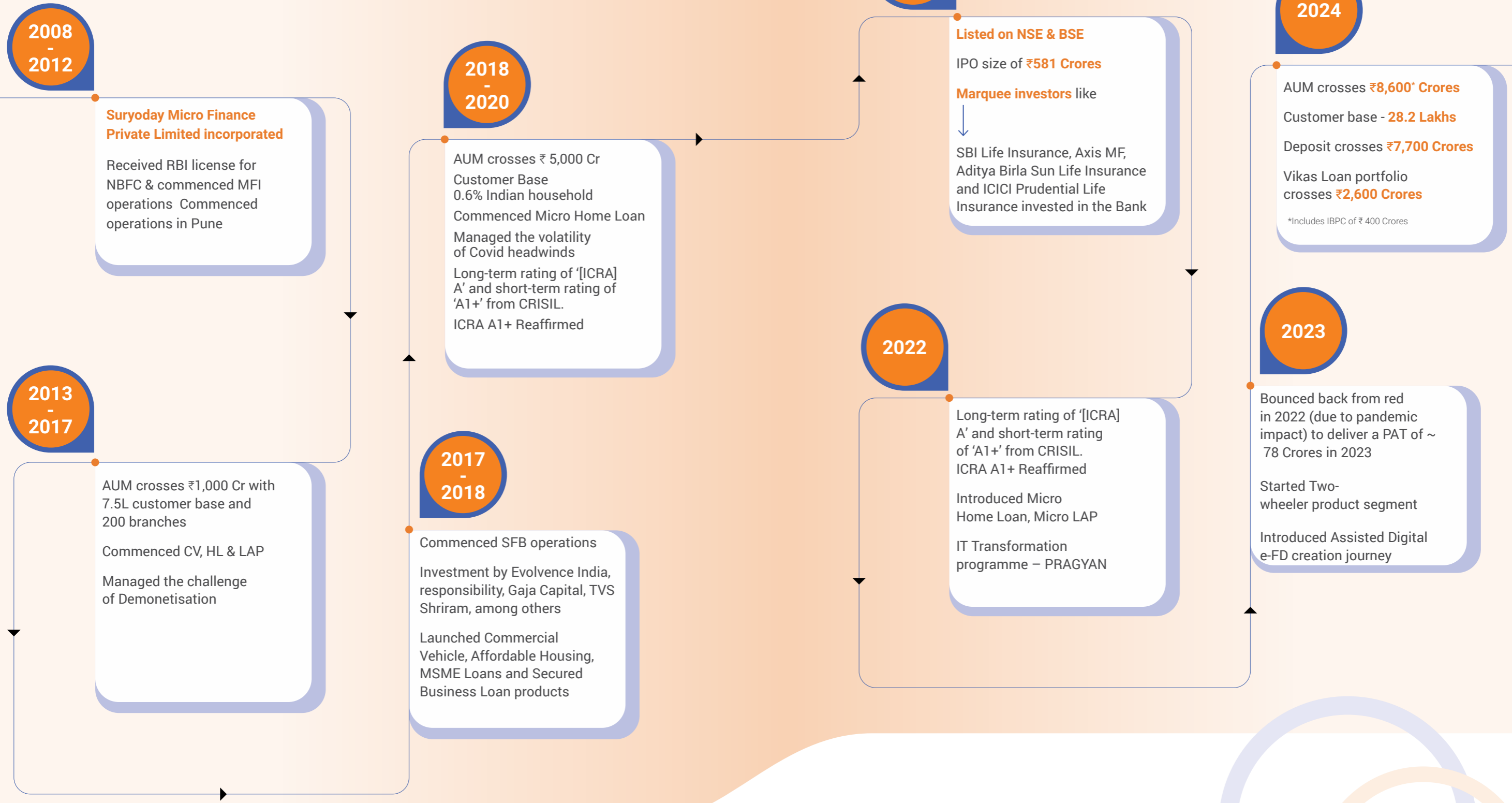
Financial Intermediary Group Loans

We offer debt capital support to financial intermediaries such as NBFCs, MFIs and HFCs, enabling them to extend loans to retail sectors including housing finance, loans against property, microfinance, vehicle finance, and related industries. We offer FIG loans with ticket sizes between ₹ 1 Crore and ₹ 50 Crores, with interest rates ranging from 8.5% to 14.0% p.a. for majority of the loans, considering the customer's profile.



Milestones

Small Steps Leading To Big Leaps In Financial Inclusion





Foreword by ex-Chairman



It has been a pleasure, spreading smiles for over 8 years with Suryoday. During this period, we have crossed several milestones, including becoming a Small Finance Bank, getting listed on stock exchanges, and successfully faced the headwinds of pandemic. I, along with the other Board members and the Suryoday family have truly enjoyed this journey over the years. I would like to thank each of the stakeholders who continued to believe in the Bank and ensuring that the Bank was able to clearly steer itself from the pandemic impact in a short period of time.

As the Bank moves towards its new sunrise, with my heart full and spirits high, I pass the baton to the very capable hands of my successor, Mr. Krishna Prasad Nair. I also welcome the new Directors to take the Bank, that we all love and trust, to the next level. I am excited about the fresh perspectives and innovative strategies that will be brought to the fore by the new domain experts, and I am confident that the Bank will drive forward consistently.

Our commitment to creating long-term value and sustainable growth is unflinching. I would like to place on record my sincere thanks to all the stakeholders for their continued support and belief in Suryoday Small Finance Bank. It is my firm belief that through the years, the Bank will enable dreams and spread smiles, building a brighter and more financially inclusive future for all.

Warmly,
R. Ramachandran

Chairman's Message

Krishna Prasad Nair
Chairman



We are building a strong, sustainable and inclusive banking institution, prioritising quality growth; and at the same time emerging as the preferred banker for millions of customers across the social spectrum.



MD & CEO's Message

Dear Shareholders,

It is with a profound sense of humility and commitment that I share my first thoughts with you as the Chairman of your Bank. At the outset, I must first express my deep sense of gratitude to my predecessor Mr Ramachandran Rajaraman for his contribution in strengthening this institution of banking excellence with the help and support of all our esteemed Board members, other leadership team members and the perseverance of our people.

Our journey from being a microfinance institution to a small finance bank took just eight years. Over the years, we have overcome many challenges and have demonstrated the resilience and resolve to grow in step with India's banking sector. Our endeavour is to bring best-in-class banking solutions to the 'banked', 'under-banked' and the 'un-banked' sections of the society.

Looking at the macro landscape, according to the recent RBI's Financial Stability Report, the global economy continues to face heightened risks from prolonged geopolitical tensions, elevated public debt and gradual progress in the last mile of disinflation. Despite these challenges, the global financial system has remained resilient, and financial conditions continue to be stable.

In such a backdrop, India's economy and the financial system has remained robust and resilient, anchored by macroeconomic and financial stability. With improved balance sheets, banks and financial institutions are supporting economic activity through sustained credit expansion.

At Suryoday, we are happy to support the dreams and aspirations of over 2 million smiling customers, who stand testimony to our belief that no matter how big or small – dreams, when enabled, can create a whole new world around you.

Elevating performance

In the fiscal year 2023-24 (FY24), we have demonstrated the strength and resilience of our business model, with our net total

income surging to INR 1,181.6 crores from INR 844 crores in the fiscal year 2022-23 and a Profit After Tax of INR 216 crores from INR 77.7 crores during the same period. Our gross advances have touched INR 8,650 crores, up significantly from INR 6,114 crores in FY 2022-23 (41.5% growth). Our deposit base now stands at INR 7,777 crores, climbing from INR 5,167 crores over the same period.

We are expanding our geographical presence strategically and our footprint spans across 15 states and Union Territories. We have grown our branch distribution in FY24 in terms of our asset focused outlets, liability focused outlets as well as rural centres.

Our customer base has increased from 23.1 lakhs in FY 2022-23 to 28.2 lakhs in FY 2023-24, demonstrating our successful outreach and engagement strategies.

A pivotal component of our growth strategy has been our commitment to digital transformation. The bank's ongoing digital transition is beginning to yield significant benefits, enabling us to enhance customer experience across various touchpoints. We have made substantial investments in the backend and middleware systems, while our focus will soon shift to fortifying our frontend capabilities.

Our phygital customer journeys—where physical and digital experiences converge—are designed to make banking seamless for our customers. The introduction of our chatbot, 'Tara', and the enhanced Video KYC (VKYC) represent our efforts to blend technology with personalised services, ensuring that we cater to the evolving preferences of our customers.

Providing need-based financial solutions

We are committed to cater to the diverse needs of households. Joint Liability Group (JLGs) remains our principal customer acquisition engine followed by Vikas Loan (VL) offered to our curated

customers. We aim to transition from a micro-lending to comprehensive household banking, thus enhancing our offerings. While certain pockets of nominal stress are present, we remain confident of our strategies to maintain our asset quality and manage risks effectively. Our internal risk matrix ensures that we are assessing aspirants for higher loan eligibility holistically, preventing over-leverage and potential delinquencies.

We have made tangible progress in expanding services to women entrepreneurs and enhancing financial access in geographic regions with limited banking facilities. Our products such as 'Blossom' for women and 'Espire' for affluent customers demonstrate our commitment to tailor solutions that resonate with distinct customer segments.

Enhancing customer experience consistently remains a top priority, with specific initiatives aimed at expanding our product lines, such as Two-Wheeler and Small Commercial Vehicle loans for our income-focused (IF) customers. Our focus remains on sustainability, ensuring that we prioritise quality growth.

Concluding thoughts

We are building a strong, sustainable and inclusive banking institution, prioritising quality growth; and at the same time emerging as the preferred banker for millions of customers across the social spectrum. Our journey ahead is filled with opportunities and challenges and I am confident that with your continued support, we will continue to deliver value to our customers and stakeholders.

We thank you for your continued support and belief in Suryoday Small Finance Bank. Together, we will enable dreams and spread smiles, building a brighter and more financially inclusive future for all.

Warm Regards,
Krishna Prasad Nair
Chairman

Mr. Baskar Babu Ramachandran MD and CEO



We have set ourselves a goal of touching the lives of 1% of Indian Households (~3.5 million customers) by 2025 and doing so in a meaningful manner, becoming their preferred partner in their journey towards financial well-being. To this end, we are transitioning from micro lending to micro banking, broadening our service offerings to include a wider range of financial products and services. This shift will allow us to better serve the diverse needs of our customers.

Dear Shareholders,

As we reflect on the past year and look towards the future, I am excited to share the progress and strategic direction of Suryoday Small Finance Bank. Our resolute commitment to growth, innovation and social responsibility has enabled us to expand our reach, enhance our services, and make a meaningful impact on the communities we serve. With a clear vision for the future, we remain dedicated to achieving new milestones and delivering exceptional value to our stakeholders.

We truly believe in creating an organisation with the intent to create positive, measurable social impact alongside a financial return.

We have set ourselves a goal of touching the lives of 1% of Indian Households (~3.5 million customers) by 2025 primarily focusing on the aspirational middle-class segment and doing so in a meaningful manner by becoming their preferred partner in their

journey towards financial well-being. To this end, we are transitioning from micro lending to micro banking, broadening our service offerings to include a wider range of financial products and services. This shift will allow us to better serve the diverse needs of our customers.

We operate with an intention to be a trusted financial institution known for conducting business responsibly and based on our core values: Ethics & Integrity, Customer Focus, Employee Friendly, Transparency, Respect and Simplicity.

Financial Performance

Coming to our performance for the financial year (FY24), our Net Total Income has witnessed a substantial growth of 40% to ₹ 1,181.6 crore from ₹ 844.0 crore in the previous fiscal year. Our Gross Advances grew by an impressive 41.5% to ₹ 8,650 crores, driven by robust growth across key segments such as Inclusive Finance, Commercial Vehicles, and Mortgages. Vikas Loan (VL), our flagship product for graduating Joint Liability Group JLG customers, has surpassed ₹ 2,600 crores in AUM and contributing over 53% to our Inclusive Finance portfolio, serving over 4.3 lakh customers.

Our Bank's total disbursements rose by 36.1%, reaching ₹ 6,919 crores, a significant increase compared to the previous year. Notably, the disbursements for VL almost doubled, reaching ₹ 2,523 crores in FY24, up from ₹ 1,270 crores in FY23. Our deposit base has also expanded significantly, growing by 50.5% to ₹ 7,777 crores in FY24 against ₹ 5,167 crores in FY23. This trend is a very positive indicator of the strength of our business model.

Operational Performance

Each of the businesses that we operate in have a very large market

size. We have ensured that instead of focusing on offering across all the segments which are catered to by the Banks, we focus on specific products within the overall basket of offerings. Accordingly, within the Inclusive Finance space, we have focused on building the VL product, which has demonstrated success and continues to grow at a steady pace. Similarly, in the Commercial Vehicles (CV) segment, our focus is to cater to the retail segment and in the used CV space, enabling us to serve individuals and small business owners better. In the Mortgages segment, especially our Loan Against Property (LAP) segment, we focus on cash flow-based assessment, wherein the credit assessment is based on substantial emphasis on business cashflows and the collateral value serves as an additional comfort factor.

To build a stable deposit base, we have focused on granular retail deposits, bolstering our financial foundation and enhancing our customer-centric banking solutions. We have successfully transitioned many JLG customers to VL, supporting their journey towards economic self-reliance.

Our bank operates a network of 695 branches, with 109 branches focused on liabilities, 392 branches focused on assets, and the remainder comprising rural centres. We continue to invest in expanding our branch network and increasing depth in existing branches through competitive service offerings. Each of the asset focused branches have significant potential to garner deposits and we are geared towards making these asset branches as full-fledged branches.

At the end of March 2024, our borrowings comprised approximately 20% of our total liabilities, with the majority sourced from refinancing institutions such as SIDBI and NABARD.

Fostering Partnerships

Our collaboration with Business Correspondents (BCs) has strengthened our presence in the market, allowing us to serve a broader customer base with tailored financial products and services. In line with the latest digital lending guidelines of RBI, we have also collaborated with a leading fintech player to offer the unsecured personal loan product to our customers.

These partnerships have enhanced our digital capabilities and allowed us to provide seamless and efficient banking services to our customers.

Responsible and Inclusive Banking

Social Responsibility and inclusiveness is deeply ingrained in our ethos. As part of the inclusiveness, savings mobilization is at the forefront and we remain focused on expanding our involvement in social security schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY). These initiatives will support our mission to enhance financial security and inclusivity.

Beyond Banking

With "serving the unserved and underserved" being the culture which is deeply ingrained in Suryoday, the Bank's Corporate Social Responsibility (CSR) philosophy is to make meaningful and measurable impact on the lives of economically and socially challenged communities in India.

The Bank's programmes are aimed to build resilient communities by empowering the unserved and underserved families with information, opportunities facilitating access to Financial, Health, Education, Livelihoods, and Social Security products and services.

During the financial year 2023-24, Suryoday Foundation, the Bank's

CSR implementation partner implemented six programmes, covering 61,802 beneficiaries.

Way Forward

As we look towards the future, we are committed to strategic initiatives that will drive our growth and enhance our socio-economic impact. We continue to remain well capitalised with our CRAR at 28.4%, well above the regulatory requirement.

We strongly believe that employees are the largest assets of the bank. They are our growth partners and we continue to invest in empowering our people with focus on their wellbeing. As it is said, "Happy Employees" lead to "Happy Customers". One of the key enablers to ensure Happy Employees – Happy Customers is the IT & Digital infrastructure.

The pace at which the Technology landscape is changing, there is need for continuous investments as well as constant upgradation of the IT infrastructure. One of the key digital product offerings of the Bank is "Digital Deposits", mobilized over the last few months, whereby the customer is able to place deposits with the bank completely digitally without the need to visit the branch.

We have set ourselves a goal of touching the lives of 1% of Indian Households (~3.5 million customers) by 2025 and doing so in a meaningful manner, becoming their preferred partner in their journey towards financial well-being. To this end, we are transitioning from micro lending to micro banking, broadening our service offerings to include a wider range of financial products and services. This shift will allow us to better serve the diverse needs of our customers.

Before concluding, I would like to express my sincere gratitude to our Board of Directors, employees,



customers, and shareholders for their consistent support and confidence in Suryoday Small Finance Bank. Your trust in our vision and capabilities has been instrumental in our journey of growth and success; and will continue to be our source of inspiration the in the years ahead.

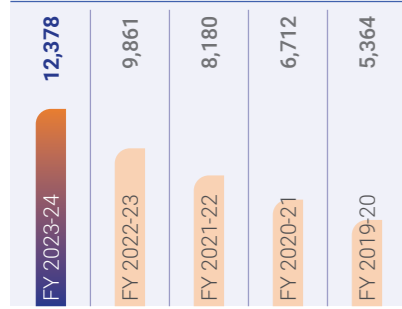
Regards,

Baskar Babu Ramachandran
MD and CEO

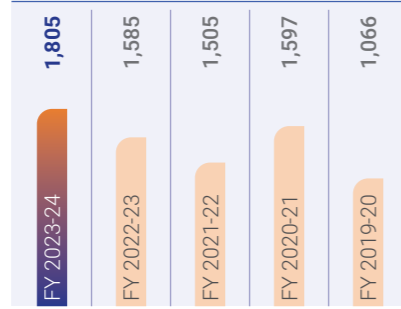
Encouraging Financial Performance

Balance Sheet Metrics

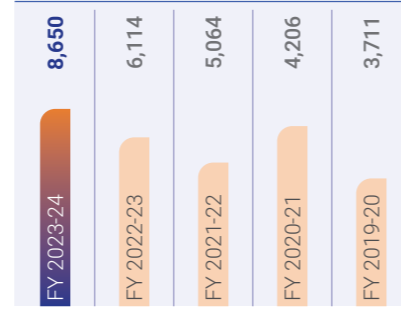
Total Assets (INR)Cr.



Shareholders' Fund (INR)Cr.

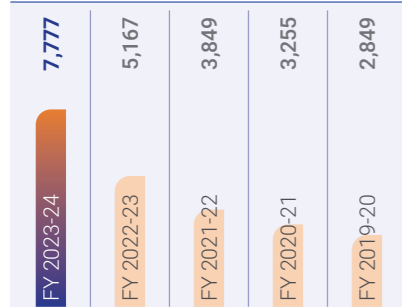


Gross Loan Portfolio (INR)Cr.

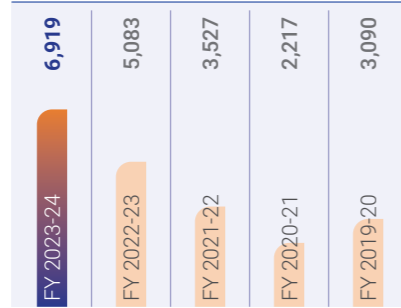


*Including IBPC

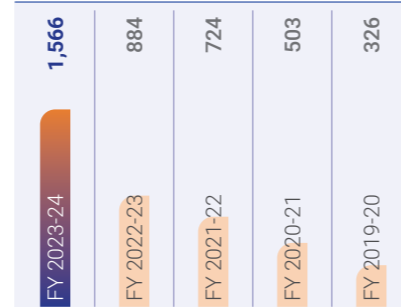
Deposits (INR)Cr.



Disbursement (INR)Cr.

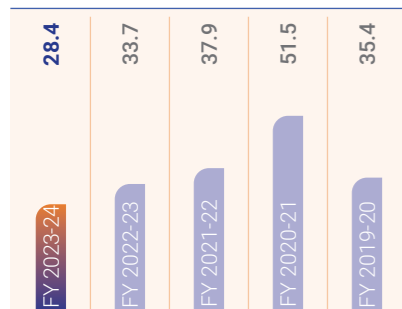


CASA (INR)Cr.

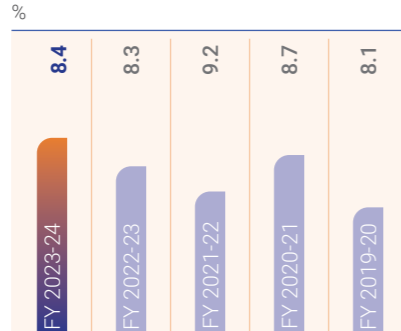


Key Ratios

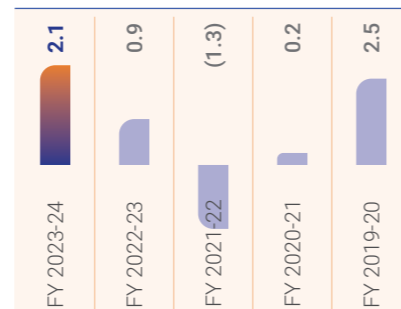
CRAR %



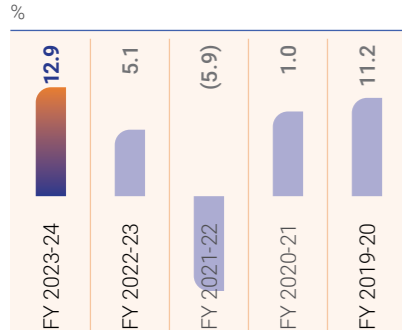
Operating Expense as a % of Gross Advance %



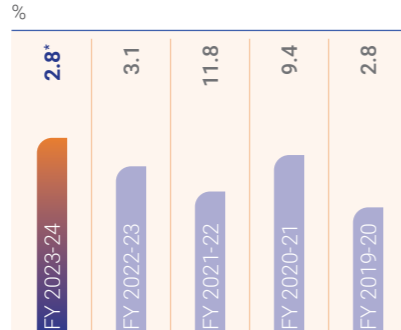
ROA %



ROE %

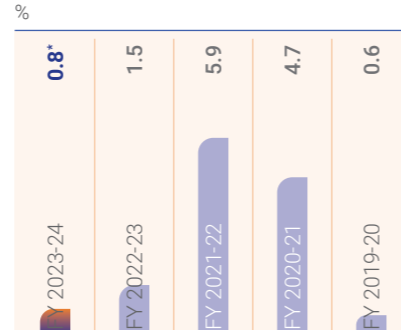


GNPA %



*Including IBPC

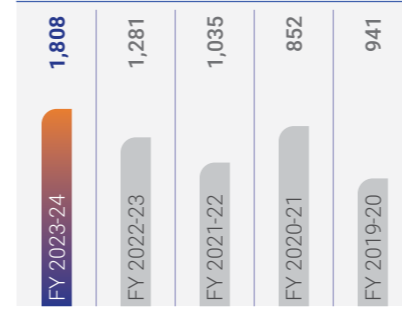
NNPA %



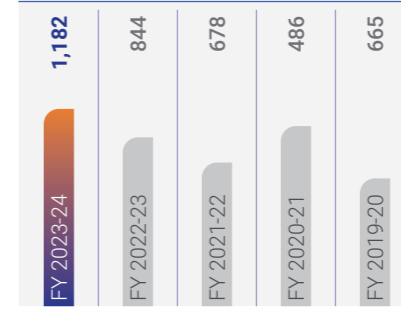
*Including IBPC

Profit & Loss Metrics

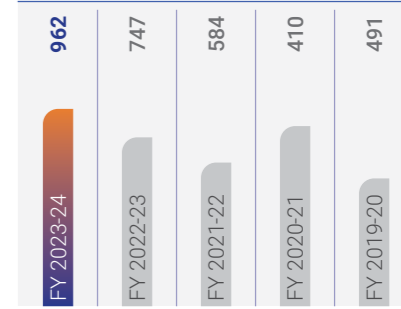
Revenue (INR)Cr.



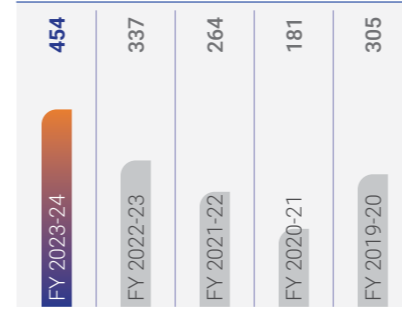
Net Total Income (INR)Cr.



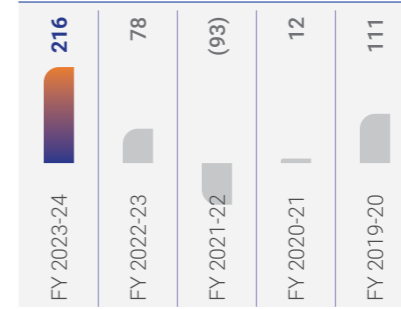
Net Interest Income (INR)Cr.



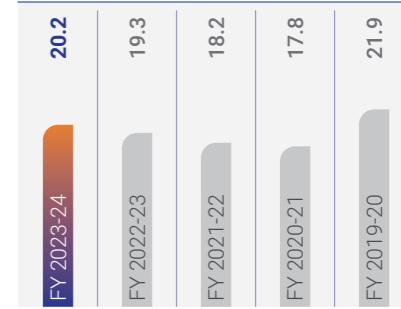
Pre-provisioning Operating Profit (INR)Cr.



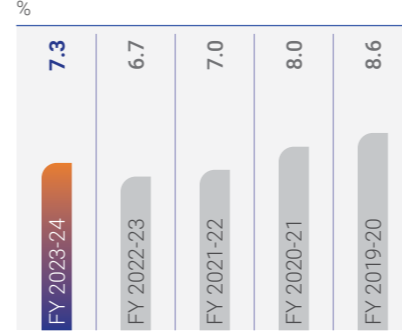
Profit After Tax (INR)Cr.



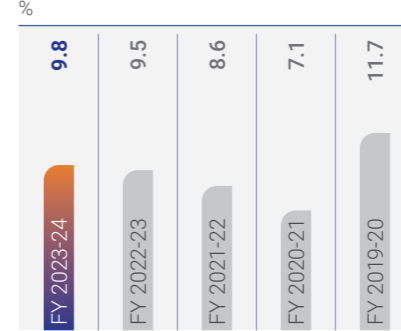
Yield on Advances %



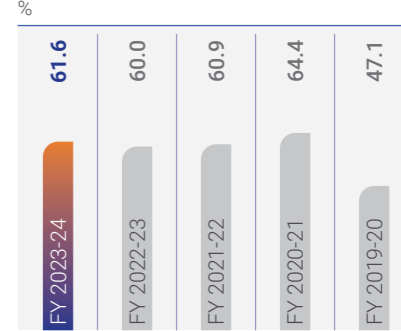
Cost of Funds %



Net Interest Margin %

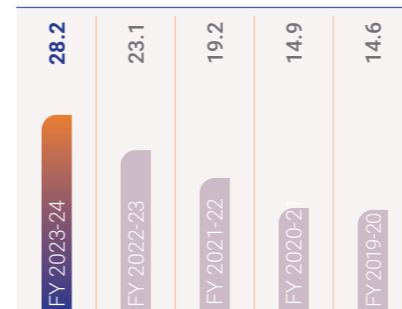


Cost-to-Income Ratio %

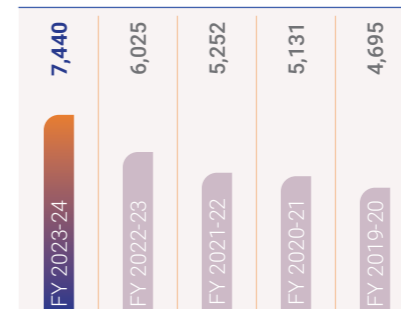


Non-financial Metrics

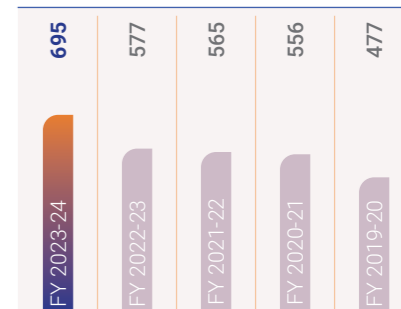
Customer Base INR in Lakhs



Employee Base



Branches



Customer Centricity

Building a Bank of Smiles

We continue to be driven by the purpose of developing a financially inclusive ecosystem by widening our customer touchpoints and enriching our offerings, comprising both asset and liability products. We are committed to lending a helping hand and fulfilling the financial aspirations of a large segment of the unbanked and underbanked population.

We have put in place an effective mechanism to address the aspirations or concerns of customers. The feedback of our valued customers helps us improve our operations. We also have a proper complaint handling and resolution process. Our customers can register their complaints through various channels such as:

Customer Testimonials

01



Name - Rajeshwari S
Location - Salem, Tamil Nadu
I am very comfortable with this Bank. The rate of interest of the Savings Accounts, FDs, RDs are much higher than other Banks. Mobile App and UPI facilities are very convenient. I am fully satisfied.

02



Name - Ratnamanjari Rout
Location - Lingipur, Bhubaneswar
With the support of Vikas Loan, I started my business. I got quick and timely loan. Today, I am financial independent, and my family is very proud of me. I thank Suryoday Bank for supporting my dreams.



03

Complaint form/suggestion box



04

Complaints received through BO, BCSBI, RBI, Centralized Public Grievance Redress & Monitoring System (CPGRAMS) of the Government of India



05

Complaint calls to the Branch through our helpdesk number



06

Oral complaints at our branches/ Regional Offices



07

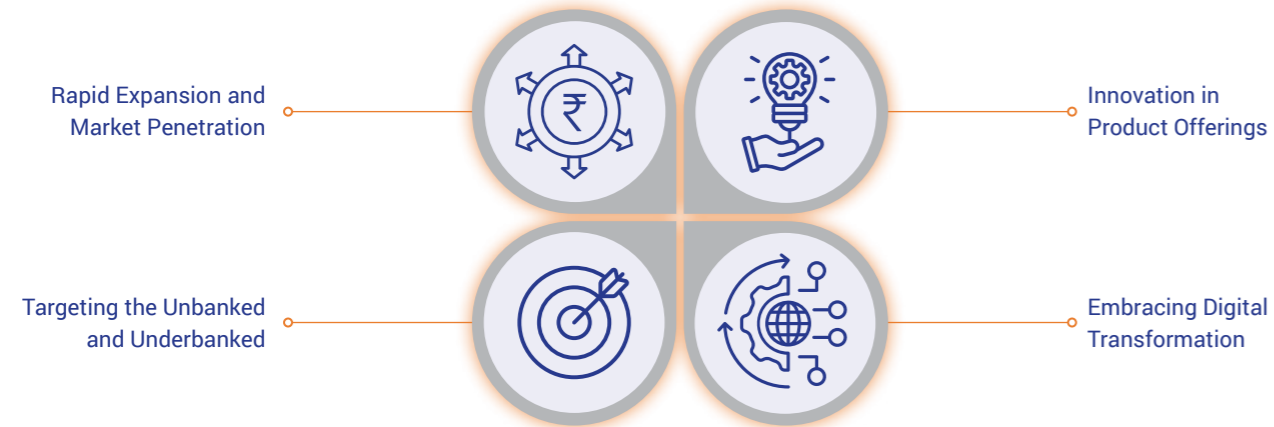
Complaints through emails or through internet or mobile banking

Operating Environment & Strategies

Delivering Value in an Evolving Landscape

Small Finance Banks (SFBs) still account for a small part of the entire banking landscape in India, which leaves a huge headroom for growth. During FY24, the Indian economy continued to remain resilient to global headwinds such as inflation and geopolitical uncertainties, and with easing inflationary pressures all banks are expected to perform even better in the coming years and support the growth of the economy.

Growth Opportunities



Growth Drivers

Technology is helping lenders offer personalised products faster than ever before. They can make lending decisions within minutes using automated models that analyse multiple data points. This makes it easier and cheaper for small businesses and the unorganised sector to access credit. Technology also allows lenders to reach people in remote areas more efficiently and at lower costs.

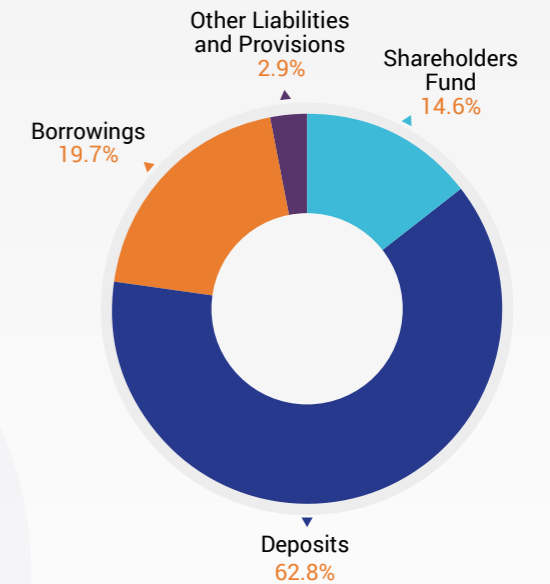
SFBs primarily rely on granular retail CASA and other retail deposits for affordable funds to grow their range of products. By offering competitive rates they can attract more customers, especially in underserved areas. The growth rate of CASA deposits for SFBs has been significant, estimated at 66% annually from 2018 to 2023. This growth strengthens their position over NBFCs and supports the expansion of their asset base.



At Suryoday, we have maintained a strong capital position in the market since our inception. The deposit base has registered steady growth since inception with an increasing share of retail deposits as a proportion of total deposits.

FUNDING MIX & LIQUIDITY

Our balance sheet mix comprise:



Capital Adequacy Ratio (CRAR)

changed from **33.7%** in March 2023 to **28.4%** in March 2024. The Bank remains well capitalised much above the regulatory requirement.

Growing the

Suryoday Way

Our future roadmap is to transition from being predominantly a micro lender to a micro-banker for low-income households with a sharper focus on going deeper into our existing geographies and continuing to provide holistic banking services to our customers. Going granular on both the lending and deposit side would be a key enabler to achieve our core strategy for growth.

Our Liability Portfolio

We provide a host of products such as current accounts, savings accounts and other deposit accounts such as recurring deposits and fixed deposits. Our retail deposit base has been developing over the years on the basis of our strong liability franchise and superior customer focused products. Our retail deposit book was strengthened with the introduction of digital channel for sourcing deposits. This provides the customers the ability to place deposits digitally without the need to visit the branch.



DEPOSITS

Our Deposits as on 31st March, 2024 were ₹ 7,777 Crore

Percentage of Retail deposits increased from **73.1%** in March, 2023 to **78.8%** in March, 2024.

Retail TD increased from **₹2,895 Cr.** in March, 2023 to **₹4,561 Cr.** in March, 2024.

CASA increased from **₹884 Cr.** in March, 2023 to **₹1,566 Cr.** in March, 2024.

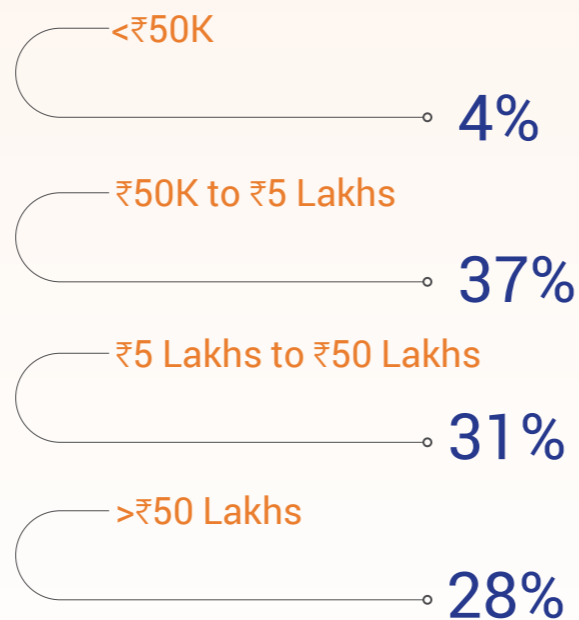
Bulk increased from **₹1,388 Cr.** in March, 2023 to **₹1,650 Cr.** in March, 2024.

Our Cost of Deposits was 7.1% for Q4 FY 2023 which increased to 7.7% in Q4 FY 2024.

Our Cost of Deposit stood at 7.7% as on Q4 FY 2024 compared to 7.1% in Q4 FY 2023.

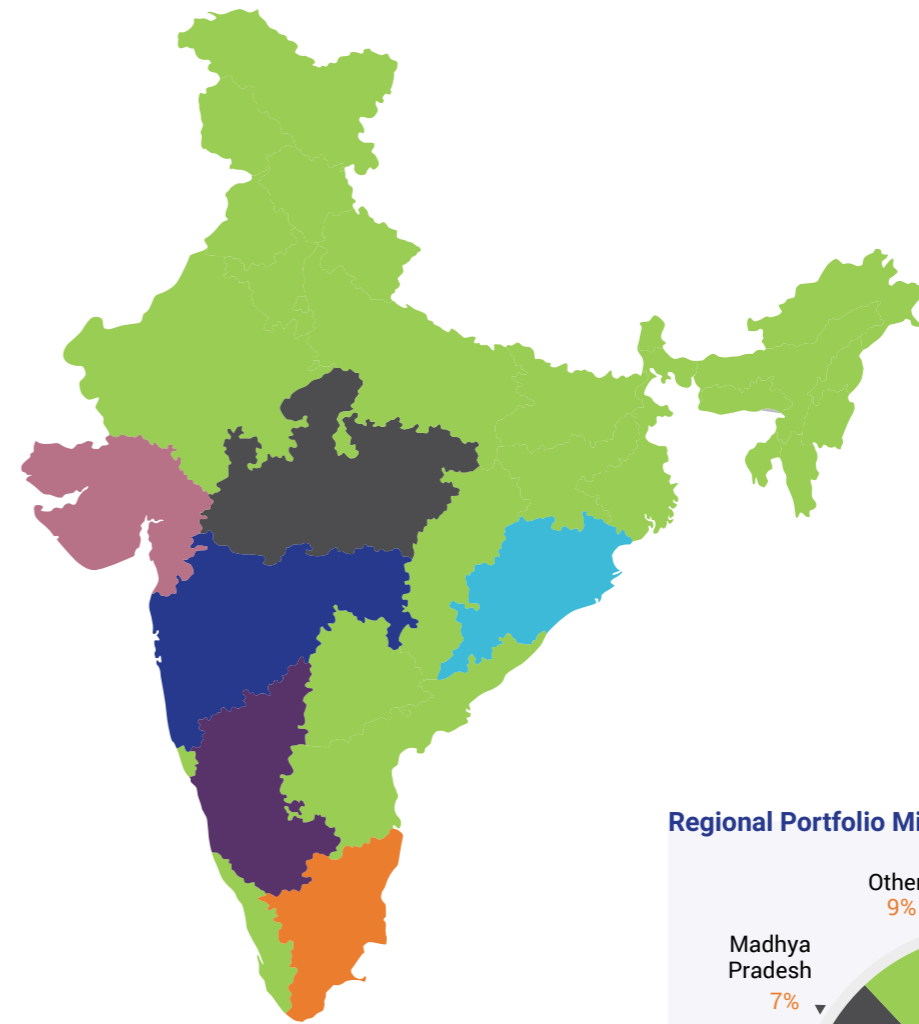
RETAIL DEPOSITS

The average ticket size for:

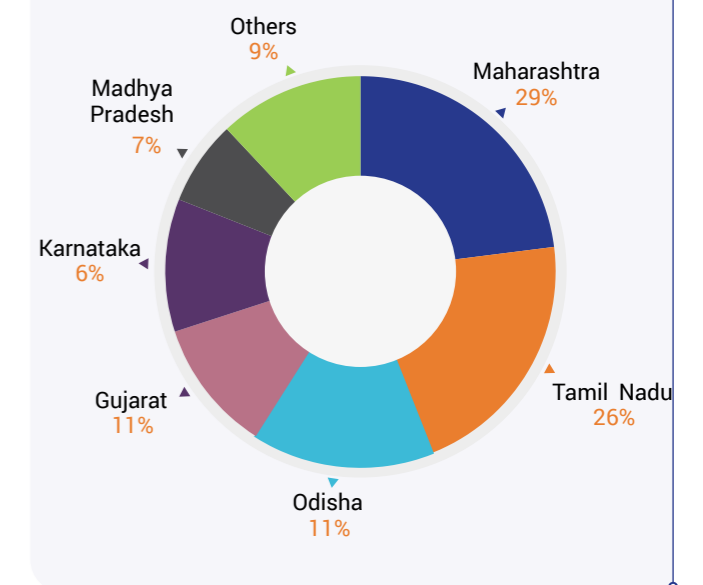


Asset Segment

We are gradually shifting our product mix towards secured retail loans. Our diverse range of products include commercial product loans, affordable housing loans, joint liability, group loans, financial intermediary group loans and secured and unsecured business loans to MSMEs and corporates. We have also commenced two-wheeler loans during the year.



Regional Portfolio Mix (Overall)



Empowering Our People to Enable Customers

We are a people-centric entity and our main goal is to develop different types of products and processes so as to create long term value for all our stakeholders as well as achieving profitability and propel growth.

Employees are our first customers. We truly believe that happy employees make happy customers.

Fostering an Empowered Workforce

We believe in fostering a positive and harmonious work environment for achieving our broader purpose. We regularly adopt measures to boost employee morale, satisfaction and well-being while making them feel engaged and valued. At Suryoday, our employees are encouraged to achieve their maximum potential both on the personal and professional front. To ensure this, we maintain a safe, healthy and holistic workplace for our employees across all our branches and outlets. We undertake various employee specific initiatives to help upgrade their skills and career prospects.



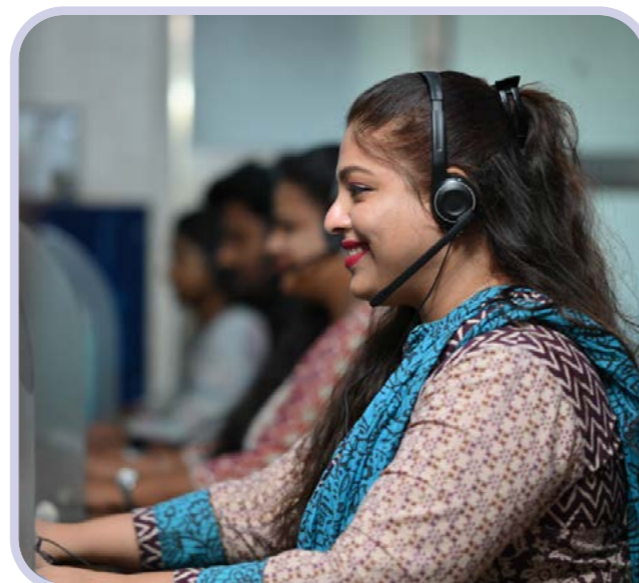
HR Interventions

We create an inclusive culture among our employees so that they can grow as bank ambassadors to bring smiles on the faces of all our stakeholders.



Reimagining Customer Interventions

The core aspect of our mission of achieving financial inclusion and expanding our customer base is customer-centricity. We continuously strive to develop new strategies to create innovative products and implement digital initiatives for seamless customer experiences.



What our People Say



Inder Singh

Area Manager - Business

Chittorgarh, Rajasthan

“Working with Suryoday has been a wonderful experience. I had been entrusted with opportunities and responsibilities early on, helping me accelerate my growth. The work culture of Suryoday is what has kept me here for almost a decade. The entire team including team leaders are always ready to help. Their guidance has been instrumental in my growth and confidence in my role.”



Maria Rosy M

Asst. Manager - Credit

Corporate Office - Belapur

“Working for a Financial Institution was a dream for me, and it came true when I got an opportunity to join Suryoday Microfinance. It has been 9 years with Suryoday where I have experienced the journey from Microfinance to Bank. I have learnt a lot while working here and got a good opportunity to understand the processes and systems. My reporting managers have always guided me in every aspect of my work and supported me. Here the culture is wonderful, and my colleagues are supportive. I feel safe to work since the Bank provides a comfortable environment, especially for female employees. Thank You Suryoday for everything.”

Our Responsibility Towards the Environment

Mangrove Cleaning Drive

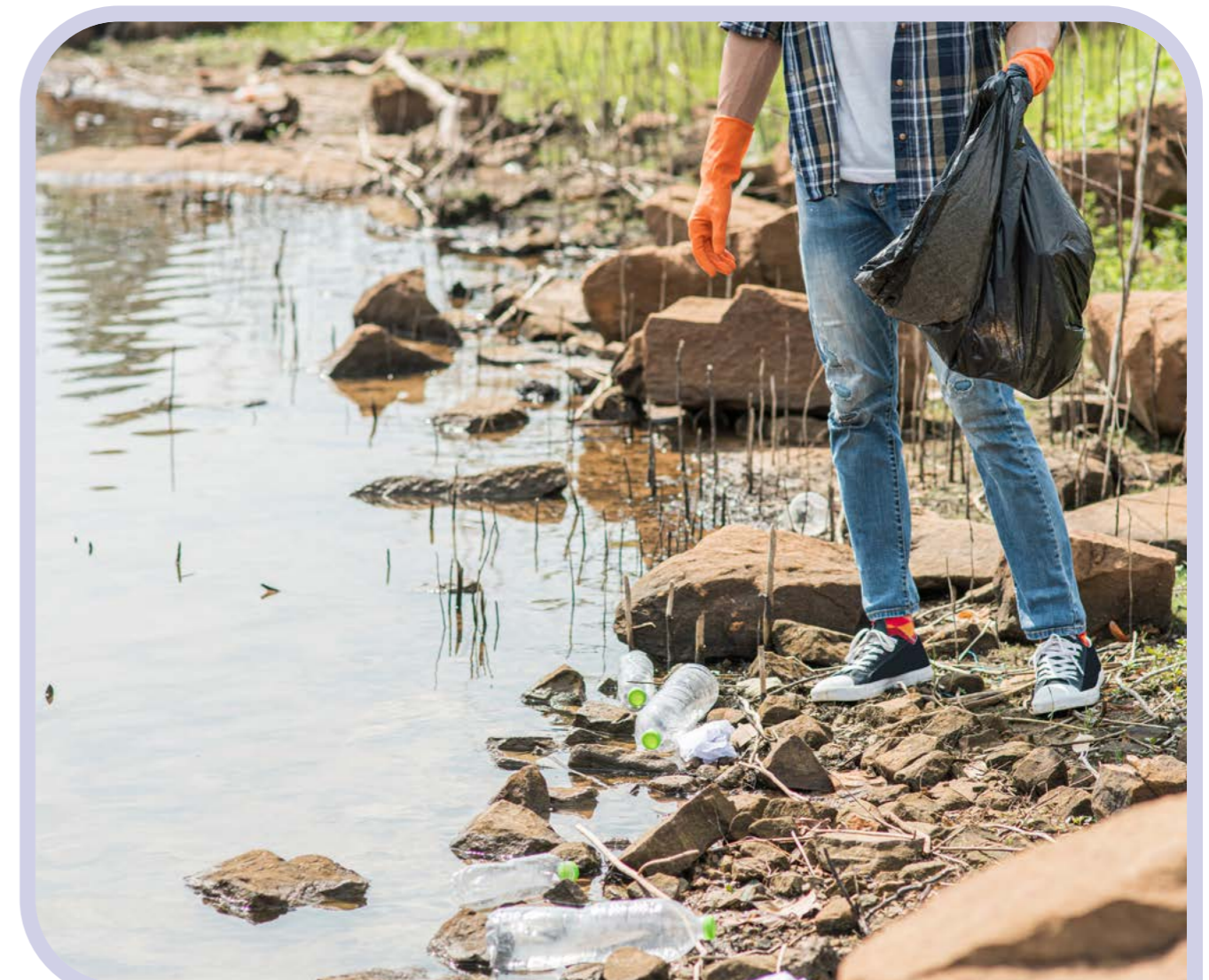
We hope and insist that every individual should be responsible for disposing of their own garbage in the correct allotted dustbins. Let us all join together to fight against the climate crisis. Implementing simple habits such as proper garbage disposal, choosing eco-friendly products to reduce wastage and reducing our consumption can help us mitigate the impact of climate change and build a greener and healthier world.

We are proud to inform that we were a part of Environment Life Foundation (ELF) in an attempt to revive the 35-km-long mangrove forest along the Navi Mumbai Coastline. We have cleaned about 450 tons of trash accumulated around the mangroves lined from Nerul to Panvel.

World Environment Day – Lake Cleaning Drive

As our country grows and urbanizes our water bodies are continuously getting polluted and toxic. It is estimated that around 70% of surface water in India is unfit for consumption. Rivers like Ganga, Yamuna, Gomti, Chambal and many more are among the most polluted water bodies in India.

We as a team volunteered with Environment Life Foundation and Punarvasu Foundation at a lake cleaning drive to clear water hyacinth for a cleaner and healthier aquatic life on World Environment Day. We pledge to keep our environment safe and say No to Single-Use Plastics.



Staying True to Our Social Commitments

At Suryoday, we commit ourselves to fostering a positive and holistic environment for our stakeholders and society by undertaking various CSR activities throughout the year to serve and support the needs of the unprivileged and low-income communities.

We have our very own **Suryoday Foundation** to conduct activities which would help serve the unserved and underserved low-income communities so that they have a better standard of living.

We have undertaken various social programmes such as:

Adhira Financial Capability of Domestic Workers

Financial Literacy programmes such as Adhira were implemented in Mumbai and Navi Mumbai with an aim to help domestic workers by providing them with financial aid. Apart from providing training, domestic workers were allowed access to different products from banks and other social security services.



Ujjwal Financial Capability for students

Financial literacy programme was conducted for government school students from classes 8 to 12. The main aim of the programme was to prepare the students for the future, give them a clear vision of their goals and make them aware of money management.

Swayamshree Financial Capability for Parents

Not only did we conduct programmes for students we also reached out to the parents of students who took part in the financial literacy programme to make them learn about digital literacy. Students partnered with their parents to find, evaluate and communicate information using digital platforms.



Spandan Health Interventions with a focus on women and adolescent girls

Although there have been several government interventions and programmes, many low-income households are not aware of their basic health parameters. To help such people, a health awareness programme was conducted during the year. The primary objective of the programme was to gain information access about their health and related services that will give people more control over their own wellbeing.

Udyojika Supportive Livelihood for women from low-income families

The "Udyojika" initiative by Suryoday Foundation supports domestic workers and women from low-income rural families in generating additional income through small business activities. Beyond promoting financial literacy, "Udyojika" empowers them to start income-generating activities," and generating additional source of income along with their primary income. The aim is that this income can help in building their saving. The program focuses on creating alternative income streams, building supply chains, collaborating with support agencies.

Activities like low-cost sanitary napkin distribution, cloth bag making, nutri garden and piloting menstrual cups have been initiated in Mumbai and Navi Mumbai slums and in Odisha. 152 women are part of this program and earn supplementary income of ₹ 1000 per month.



VIDYA Complimentary Livelihoods

Women from the lower segment of the economy like domestic workers, informal workers, marginal farmers etc. were provided with supplementary livelihoods. The additional income helped them save money and meet emergencies. We engaged with women as community trainers who helped mobilise other women for financial literacy programme, helped distributing low-cost sanitary pads and making eco-friendly cloth bags.

Building a Sturdy Governance Framework

At Suryoday, we uphold the highest standards of corporate governance while embracing the best industry practices as we pursue our broader goals. Our Board of Directors with the help of the management, consistently examines and analyses corporate governance principles, ensuring members of our team strictly follow these guidelines.

Left to Right

Standing -

Mr Ranjit Shah, Mr Baskar Babu Ramachandran,
Mr John Arunkumar Diaz & Mr Hemant Shah.

Sitting -

Mr Krishna Prasad Nair, Mrs Swati Datye
& Mr Jyotin Mehta.



Not in the picture Mr Mrutunjay Sahoo - Independent Director and Mr Deepak Sharma - Independent Director

Mitigating and Managing Risks Proactively

The Bank is exposed to various risks, which fall under one or more of the categories:



Credit Risk



Market Risk



Liquidity Risk

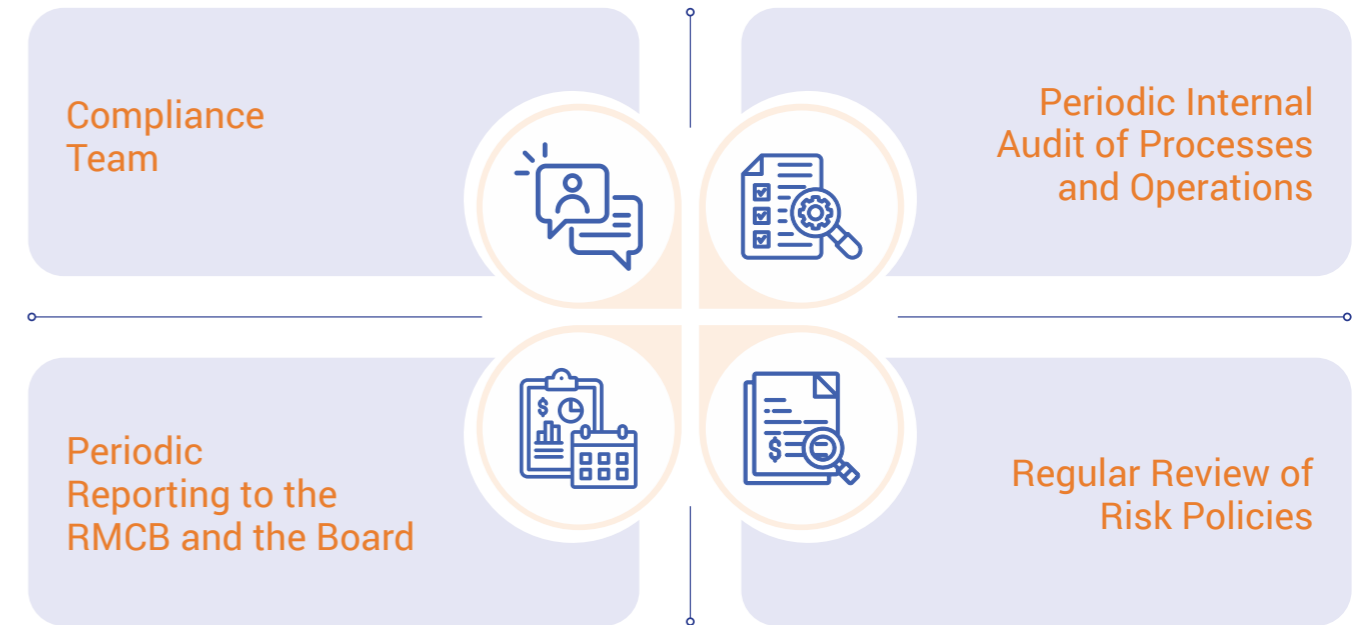


Operational Risk



Information Security Risk

The Chief Risk Officer of the Bank is in charge of the risk management functions under the oversight of the Risk Management Committee of the Board (RMCB). Our Bank has a robust framework for risk management in the form of regular review of products and processes by the:



The RMCB oversees the nature of the risks and the impact of those risks on the:

-  Business of the Bank
-  Implementation of the risk management policies and processes
-  Reviewing of these Policies



Awards

Recognised for Banking Excellence

We have won awards in recognition of our digital efforts in FY 2024. Some of them are:

The Bank had received 'Best Defensive Security – Bank' hosted by Qantic India

The Bank got nominated in Top 3 from DSCI (Data Security Council of India) as a Best Practices in Small and Medium Financial Banks

ABECA 2024 - AmbitionBox Employee Choice Awards under mid-sized Banking Companies. We were ranked #1.



Board of Directors



Mr. Krishna Prasad Nair

Non-Executive Chairman, Independent Director

M M C M C C



Mr. Mrutunjay Sahoo

Independent Director

M C C M C M



Ms. Swati Datye

Independent Director (with effect from February 1, 2024)

M M C M M



Mr. Baskar Babu Ramachandran

Promoter, MD & CEO

M M M M M M M



Mr. Jyotin Mehta

Independent Director

C M M M M M



Mr. John Arunkumar Diaz

Independent Director

M M C M M M



Mr. Hemant Shah

Whole-time Director [Executive Director]
(with effect from April 1, 2024)

M M M



Mr. Ranjit Shah

Investor Director

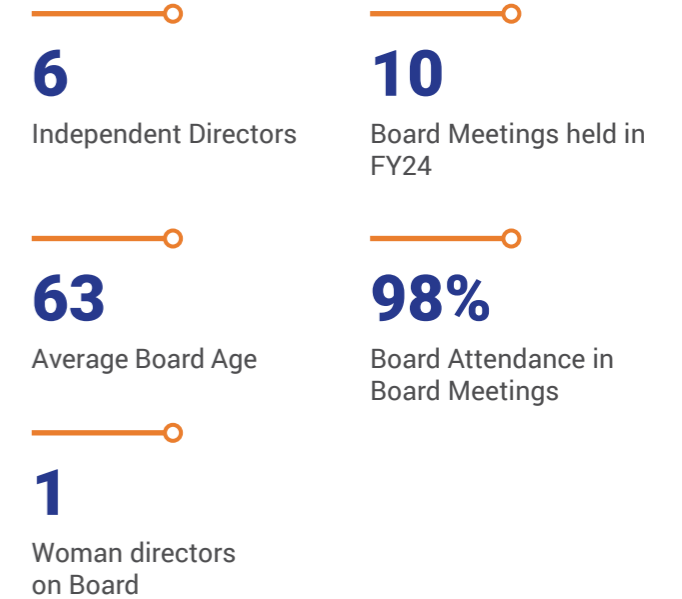
M M M



Mr. Deepak Kumar Sharma

Independent Director (with effect from April 11, 2024)

M M M M M M M



Chairperson	Audit Committee of Board	Corporate Social Responsibility & ESG Committee
Member	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
	Risk Management Committee of Board	Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters
	IT Strategy Committee	
	Credit Committee of Board	
	Customer Service Committee	

Leadership Team



Baskar Babu Ramachandran
MD & CEO



Hemant Shah
Executive Director



Kanishka Chaudhary
Chief Financial Officer



Krishna Kant Chaturvedi
Company Secretary



Yogesh Dixit
Chief Risk Officer



Vibha Gawde
Chief Audit Officer



Senthil Kumar
CBO – Wheels & Distribution



Himanshu Mishra
CBO – Retail Banking



Gaurav Pawra
Business Head – Mortgages



Vishal Singh
Chief Information Officer &
Head - Digital Banking



Sudheer Muvva
Chief Technology Officer



Sasidhar Vavilala
Head – Business Intelligence &
Analytics



Sandeep Arora
Chief Product & Customer
Experience Officer



Sarveish Kharangate
Business Head – Inclusive Finance



Sudhakar Mogera
Business Head – FIG
& Partnerships



Dhara Vyas
Chief People Officer & Head – CSR



R Mohan
Head – Legal



Narayan Thathai
Head – Treasury



Anand Balaji
Business Head - Micro Mortgages



Radhika Gawde
Chief Credit Officer



Nitin Kohli
Head - Inclusive Finance
Collections



Shankar Surender
Chief Compliance Officer



Pandurang Dixit
Chief Vigilance Officer



Kartiklingam Nadar
Head - Operations

Directors' Report

Dear Members,

Your Board of Directors ("Board") are pleased to present the Sixteenth Annual Report on the business and operations of the Bank together with the Audited Financial Statements of the Bank and Independent Auditors' Report for the financial year ("FY") ended March 31, 2024.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Bank's performance during FY ended March 31, 2024 as compared to the previous FY is summarized below:

	(₹ in Crores)	
Particulars	FY 2023-24	FY 2022-23
Advances (Net of provision)	8,078.0	6,015.1
Deposits and borrowings	10,220.3	7,932.1
Total Income	1,808.1	1,281.1
Operating and Interest Expenses	1,354.2	943.6
Operating Profit	453.9	337.5
Provisions and Contingencies (including tax)	237.9	259.8
Profit for the year	216.0	77.7
Add: Surplus brought forward from previous year	151.4	112.0
Amount available for appropriation	367.3	189.7
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	54.0	19.4
Investment Fluctuation Reserve	-4.6	18.8
Capital Reserve	-	-
Surplus carried to Balance Sheet	317.9	151.4
EPS (Basic)	20.34	7.32
EPS (Diluted)	20.15	7.32

OVERVIEW OF OPERATIONS

The Net Interest Income of the Bank for the year was ₹ 962.2 Crores as compared to ₹ 746.6 Crores in the previous year. The Bank has achieved a Profit of ₹ 216.0 Crores for the year ended March 31, 2024, a significant improvement from the Profit of ₹ 77.7 Crores in the previous year. The Bank has a year-on-year ("Y-o-Y") basis growth of ₹ 138.26 Crores in terms of Profit.

The Gross Loan Portfolio witnessed a jump of 41.5 % to ₹ 8,650 Crores including IBPC of ₹ 400 Crores and there was a substantial rise in deposits by 50.5% to ₹ 7,777 Crores. The retail deposits including CASA constituted 20.1% of the overall deposits of the Bank.

The Capital Adequacy Ratio ("CRAR") was 28.41% as at March 31, 2024 (March 31, 2023: 33.7%) as compared to the statutory minimum requirement of 15%.

Cost to Income ratio for the year ended March 31, 2024 was 61.6% as compared to 60.0% for the previous year. There was a substantial improvement in Return on Assets from 0.87% in FY23 to 2.1% in FY24 primarily driven by business growth coupled with improved asset quality.

The number of banking outlets increased from 577 in March 31, 2023 to 695 in March 31, 2024 including 194 Unbanked Rural Centres.

There was an increase in disbursements by ₹ 1836 Crores on a Y-o-Y basis. Additionally, even the Net Interest Income ("NII") witnessed a strong growth of 29% on a Y-o-Y basis.

Customer- related initiatives

The Bank offers a suite of deposit and loan products catering to various customer segments. During the year under review, the Bank introduced the following products and collaborations:

Digital Tie-Ups

- Partnerships with three Payment Banks to offer their customers sweep account facilities and fixed deposits.

Women Savings Account

- Launched Women's Savings Account product with added benefits and better returns on savings account.

DIVIDEND

The Bank has formulated and implemented a Dividend Distribution Policy pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and RBI Requirements with an objective to appropriately reward shareholders through dividends for reposing their confidence in the Bank while retaining the capital required for supporting future business growth. The said Policy is available on the website of the Bank at https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Dividend%20Distribution%20Policy_FY%2024-25_1.0.pdf



Considering the need to preserve capital to support growth and expansion plans of the Bank, the Board of Directors did not recommend dividend for FY ended March 31, 2024.

TRANSFER TO RESERVES

As per the requirements of the RBI Regulations and other applicable Regulations, the Bank has transferred the following amounts to various reserves during FY ended March 31, 2024:

Particulars	₹ in Crores
Statutory Reserve	53.99
Capital Reserve	-
Investment Fluctuation Reserve	(4.56)

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

In accordance with Section 124 and 125 of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund ("IEPF") Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), all the equity shares of the Bank in respect of which dividend amounts have not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to demat account of IEPF Authority. As, the Bank has not declared any dividend since its inception hence, there was no unclaimed/unpaid dividend or shares of the Bank liable to be transferred to IEPF during FY 2023-24.

CHANGE IN NATURE OF BUSINESS

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

SHARE CAPITAL

Authorised capital:

During the year under review, members of the Bank vide Ordinary Resolution passed at their Fifteenth (15th) Annual General Meeting ("AGM") of the Bank held on September 14, 2023, have approved the increase in the Authorised Capital of the Bank from ₹ 125,00,00,000 (Rupees One hundred and Twenty-five Crores) divided into 12,50,00,000 (Twelve Crores Fifty Lakh) Equity Shares of ₹ 10 (Rupees Ten) each to ₹ 150,00,00,000 (Rupees One hundred and Fifty Crores) divided into 15,00,00,000 (Fifteen Crore) Equity Shares of ₹ 10 (Rupees Ten) each.

Paid up Capital:

During the year under review, the Bank has issued and allotted 41,949 (Forty-one Thousand Nine Hundred and Forty-nine only) Equity Shares of face value of ₹ 10 (Rupees Ten) each pursuant to the exercise of Options by the employee(s) of the Bank under Employee Stock Option Scheme 2016 ("ESOP Scheme, 2016")

and Suryoday ESOP Scheme-2019 ("ESOP Scheme, 2019"). Consequently, there has been increase in Paid-up capital of the Bank, from ₹ 106,15,87,490 (Rupees One Hundred Six Crores Fifteen Lakh Eighty-seven Thousand Four Hundred and Ninety Only) divided into 10,61,58,749 (Ten Crores Sixty-one Lakh Fifty-eight Thousand Seven Hundred and Forty-nine only) Equity shares of ₹ 10 (Rupees Ten) each as on March 31, 2023 to ₹ 106,20,06,980 (Rupees One Hundred Six Crores Twenty Lakh Six Thousand Nine Hundred and Eighty Only) divided into 10,62,00,698 (Ten Crores Sixty-two Lakh Six Hundred and Ninety-eight only) Equity Shares of ₹ 10 (Rupees Ten) each fully paid-up as on March 31, 2024.

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS AND/OR SWEAT EQUITY SHARES

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

DEBT INSTRUMENTS

As at March 31, 2024, the Bank had one series of Debentures issued on Private placement basis consisting of 1000 Nos. of 12.5% Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the form of Non-Convertible Debentures having face value of ₹ 10 Lakh each, amounting to ₹ 100 Crore which are listed on BSE Limited.

CREDIT RATINGS OF VARIOUS INSTRUMENTS

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

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

CAPITAL ADEQUACY RATIO

- As per operating guidelines for Small Finance banks, the Bank is required to maintain a minimum Capital Adequacy Ratio ("CRAR") of 15% with minimum Common Equity Tier I (CET I) of 6%.
- As at March 31, 2024, the CRAR of the Bank stood at 28.41%, well above the regulatory minimum requirement of 15%. Tier I ratio of the Bank stood at 26.54% well above the regulatory requirement of 6% and Tier II capital was at 1.87%.

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

The Bank did not have any subsidiary, associate or joint venture company during FY 2023-24. Accordingly, no statement is required to be reported in Form AOC-1.

ANNUAL RETURN

The Annual Return as mandated under the provisions of Section 92(3) read with Section 134(3)(a) of the Act in prescribed Form MGT-7 is available on the website of the Bank and the same can be accessed at <https://www.suryodaybank.com/shareholders-meeting-agm-view-24-25>

BOARD OF DIRECTORS

The composition of the Board is governed by the provisions of the Act, the Banking Regulation Act, 1949 (the “**BR Act**”), the SEBI Listing Regulations, other applicable laws and the Articles of Association of the Bank. As on March 31, 2024, the Board of the Bank had Seven Directors, of which five were Independent Directors, one Non-Executive Non-Independent Director and one Managing Director & Chief Executive Officer (“**Managing Director & CEO**”).

The certificate pursuant to Regulation 34(3) and sub-clause (i) of Clause 10 of Part C of Schedule V of the SEBI Listing Regulations for FY ended on March 31, 2024 issued by Mr. Tushar Shridharani, Practicing Company Secretary, (FCS 2690 / COP 2190), confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Bank, is attached as **Annexure 1** to this Report.

During FY 2023-24 and after the end of financial year up to the date of this report, following changes took place in the Board of Directors of the Bank:

Appointments :

- (i). The Board of Directors basis the recommendation made by the Nomination and Remuneration Committee of the Board (“**NRC**”), and the approval granted by the Reserve Bank of India (“**RBI**”) vide its Letter No. DoR. GOV.No.S4404/29.44.006/2023-24 dated November 01, 2023, appointed Mr. Krishna Prasad Nair (DIN: 02611496), Independent Director, as Non-Executive Part-time Chairman of the Bank, for a period effective from November 01, 2023 to July 21, 2026, in accordance with the provisions of BR Act, and the rules, guidelines and circulars issued by the RBI from time to time. Subsequently, the Shareholders of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024 have taken note of the abovementioned appointment.
- (ii). Basis the recommendation of the NRC, the Board of Directors of the Bank at their meeting held on January 24, 2024, had approved the appointment of Mrs. Swati Datye (DIN: 06751552) as an Additional Director (Non-executive Independent category) on the Board of the Bank, with effect

from February 01, 2024. Subsequently, the Shareholders of the Bank vide Special Resolution passed through Postal Ballot on April 28, 2024 have approved her appointment as a Non-Executive Independent Director of the Bank to hold office for a period of Five (5) consecutive years effective from February 01, 2024 upto January 31, 2029 (*both days inclusive*), not liable to retire by rotation.

- (iii). Basis the recommendations made by the NRC, and the Board of Directors at their respective meetings held on September 21, 2023 and based on the application made by the Bank, the RBI had vide its Letter No. DoR. GOV.No.S6035/29.44.006/2023-24 dated January 18, 2024, has accorded its approval for the appointment of Mr. Hemant Premchand Shah (DIN: 10548728), as Whole-time Director (“**WTD**”) of the Bank for a period of Three (3) years with effect from the date of taking charge as WTD and Mr. Hemant Premchand Shah has joined the Bank with effect from April 01, 2024. Subsequently, the Shareholders of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024 have approved his appointment as a Whole-time Director (designated as Executive Director and Key Managerial Personnel) of the Bank, for a period of Three (3) consecutive years commencing from the date of his taking charge i.e. April 01, 2024 to March 31, 2027, not liable to retire by rotation.
- (iv). Basis the recommendation of the NRC, the Board of Directors of the Bank at their meeting held on April 11, 2024, had approved the appointment of Mr. Deepak Kumar Sharma (DIN:10575402) as an Additional Director (Non-Executive Independent category) on the Board of the Bank, with effect from April 11, 2024. Subsequently, the Shareholders of the Bank vide Special Resolution passed through Postal Ballot on July 08, 2024 have approved his appointment as a Non-Executive Independent Director of the Bank to hold office for a period of Five (5) consecutive years effective from April 11, 2024 upto April 10, 2029 (*both days inclusive*), not liable to retire by rotation.

Re-appointments :

- (v). Mr. Ranjit Jayant Shah (DIN: 00088405), Non-Executive Non-Independent Investor Director, was re-appointed at the Fifteenth (15th) AGM of the Bank held on September 14, 2023, and is liable to retire by rotation and being eligible, offers himself for reappointment.

Completion of Tenure

- (vi). Mr. Ramachandran Rajaraman (DIN: 01953653), the Non-Executive Independent Director and Part-time Chairman of the Bank, who was re-appointed with the approval from the RBI for a period upto September 23, 2023, had retired from the position of the Independent Director and Part-time Chairman of the Bank, on close of business hours on September 23, 2023, on completion of his second term of Office as an Independent Director of the Bank.



(vii). Mr. Mrutunjay Sahoo (DIN: 00015715), who was re-appointed at the Thirteenth (13th) AGM held on September 20, 2021, as Non-Executive Independent Director of the Bank for a period of Three (3) years effective from September 22, 2021 to hold office upto September 21, 2024. Mr. Sahoo will retire from the position of the Independent Director of the Bank, on close of business hours of September 21, 2024, on completion of his second term of Office as an Independent Director of the Bank.

(viii). Mr. Jyotin Kantilal Mehta (DIN:00033518) was re-appointed as Non-Executive Independent Director of the Bank for a period of Three (3) years effective from August 31, 2022 to hold office upto August 30, 2025 at the Fourteenth (14th) AGM held on August 26, 2022. Further, in accordance with the provisions of BR Act, his tenure of total 8 years as a Director on the Board of the Bank would be completing on February 12, 2025 considering his original date of appointment as February 13, 2017. Accordingly, he would hold office as an Independent Director of the Bank upto February 12, 2025.

Cessations

(ix). Dr. Mandeep Maitra (DIN: 06937451) Independent Director, has resigned from the position of an Independent Director of the Bank with effect from January 31, 2024, citing her other work assignments and prioritizing her family's well-being. Further, pursuant to the Regulation 30 read with Clause (7B) of Part A of Schedule III of SEBI Listing Regulations, she also confirmed that there was no material reasons for her resignation other than those stated in the her resignation letter which was disclosed to Stock Exchanges.

Others

(i). Mr. Ranjit Jayant Shah (DIN: 00088405), Non-Executive Non-Independent Investor Director, being liable to retire by rotation at the ensuing AGM of the Bank, and being eligible, has offered himself for re-appointment. The Board of Directors at their meeting held on August 01, 2024, basis the recommendation of the NRC, has recommended the re-appointment of Mr. Ranjit Jayant Shah as Non-Executive Non-Independent Investor Director, liable to retire by rotation. He has provided the necessary consent and declaration(s) for being re-appointed as Non-Executive Non-Independent Investor Director of the Bank. His re-appointment will be placed for approval of the shareholders at ensuing AGM.

(ii). Mr. John Arunkumar Diaz (DIN: 00493304) was appointed as an Independent Director of the Bank with effect from December 16, 2019 for a period of Five (5) years and his first term will be completed on December 15, 2024. Pursuant to the recommendation of the NRC, the Board at its meeting held on August 01, 2024, recommended the re-appointment of Mr. John Arunkumar Diaz as an Independent Director of the Bank for a period upto August 08, 2026 (i.e. upto attaining the age of 75 years pursuant to RBI Notification No. RBI/2021-22/24 DOR.GOV.REC.8/29.67.001/2021-22 dated April 26, 2021, for approval of the Members. He has provided the necessary consent and declaration(s) for

being re-appointed as Independent Director of the Bank. His re-appointment will be placed for approval of the shareholders at the ensuing AGM.

KEY MANAGERIAL PERSONNEL

As of March 31, 2024, Mr. Baskar Babu Ramachandran, Managing Director & CEO, Mr. Kanishka Chaudhary, Chief Financial Officer and Mr. Krishna Kant Chaturvedi, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Bank in terms of Section 203(1) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, Mr. Hemant Premchand Shah (DIN: 10548728) has been appointed as Whole-time Director, designated as Executive Director and Key Managerial Personnel of the Bank for a period of Three (3) years, effective from April 01, 2024 to March 31, 2027.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Regulation 17(5) of SEBI Listing Regulations, the Bank has implemented a Code of Conduct for Directors and Senior Management Personnel (SMPs). This code attempts to set forth the guiding principles on which the Directors and SMPs of the Bank shall operate and conduct the Bank's business with its various stakeholders. All the Directors and SMPs have affirmed their adherence to the Code for FY 2023-24 and a declaration by the Managing Director & CEO to this effect forms part of Report on Corporate Governance. The Bank's Code of Conduct for Directors and SMPs can be accessed on the website of the Bank at: https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Code%20of%20conduct%20applicable%20to%20Directors%20&%20Sr%20Mgmt%20of%20the%20Bank_FY%2024-25_1.0.pdf

MEETINGS OF THE BOARD OF DIRECTORS

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

MEETING OF COMMITTEES OF THE BOARD

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

As at March 31, 2024, there were Nine (9) Committees of the Board as given below:

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

The details of composition, number of meetings held and date thereof and terms of reference of the above Committees are available in the Corporate Governance Report forming part of the Annual Report of the Bank for FY 2023-24.

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

MEETING OF INDEPENDENT DIRECTORS

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

During the year under review, Two (2) meetings of Independent Directors of the Bank were held on May 10, 2023, and November 29, 2023 and various matters were discussed & reviewed at the meeting inter alia covering the following:

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

- Review of the existing corporate governance practices.
- Review of the Report on directives and suggestions from the previous meeting of Independent Directors.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

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

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

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

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

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

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

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

As per the provisions of sub-section (3) of Section 178 of the Act, the Bank has a Policy on appointment of Directors and Senior Management employees which includes formulating criteria for determining qualifications, attributes and independence of a Director. This Policy has been disclosed on the Bank's website at:- https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Policy%20on%20Appointment%20of%20Directors%20and%20Senior%20Managerial%20Personnel_FY%2024-25_1.0.pdf.



The Board has, in accordance with the RBI guidelines on compensation, formulated the Compensation Policy which became effective in FY 2020-21, as amended from time to time. The Compensation Policy institutes a mechanism for alignment of compensation of Whole-time Directors, Chief Executive Officer, Material Risk Takers, Control Function Staff and other Senior Managerial Personnel with the extent of risks taken. The Policy also establishes standards of compensation including fixed and variable, which are in alignment with the applicable rules and regulations including the RBI guidelines in this regard and which is based on the trends and practices of remuneration prevailing in the banking industry. The remuneration of Whole-time Directors, Material Risk Takers, Key Managerial Personnel and Senior Management is governed by the Compensation Policy of the Bank. This Policy has been disclosed on the Bank's website at https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Compensation_Policy_FY23-24_4.0.pdf.

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

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of Section 178(2) read with Schedule IV of the Act and Regulation 19 of SEBI Listing Regulations and SEBI Guidance Note on the Board Evaluation dated January 05, 2017 and as per the performance evaluation framework approved by the NRC and also concurred by the Board, the Bank has carried out the performance evaluation of the Directors including Chairman, Managing Director & CEO, Board Level Committees and Board as a whole for FY 2023-24.

The criteria for the performance evaluation of the Board include various aspects, such as structure, meetings, appointments, agenda, discussions, roles and responsibilities, evaluation of risks, strategy, governance and compliance, conflict of interest, etc. Further, the criteria for performance evaluation of the Board Committees include various aspects, such as, mandate and composition, effectiveness, meetings, agenda, minutes, discussion and dissent, independence, etc.

The criteria for the performance evaluation of the Directors include various aspects, such as, knowledge and competence, skill sets, expertise, integrity, functioning, contribution towards Board deliberations & decision-making process, attendance, teamwork, corporate governance, etc., and in case of Independent Directors, additional parameters include fulfilment of the criteria of independence, integrity and their independence from the management.

All Directors provided their responses to the questionnaires based on the aforesaid criteria. Further, at a separate meeting of the Independent Directors, the performance of non-independent Directors and the performance of the Board as a whole were reviewed based on the abovementioned criteria. The report on Board Evaluation was placed before the NRC and then to the Board. The Chairman of the Board and the Chairman of the NRC

and an Independent Director who chaired the meeting of the Independent Directors took the lead in the process of evaluation and shared the feedback to the Board. The Board deliberated upon the outcome of the evaluation report and found the performance of the Board as a whole, the Board Committees, the Chairman, the Managing Director & CEO and other individual Directors to be satisfactory. The suggestions and the outcome of the evaluation process was taken on record by the Board.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

In accordance with the Regulation 25(7) of the SEBI Listing Regulations and RBI guidelines, the Bank has conducted various familiarisation programmes during FY 2023-24 for the Independent Directors to enable them to familiarise with the Bank, its Management, Bank's Business, and its operations for better understanding of their roles & responsibilities and rights for effective contribution in sustainable growth of the Bank.

The details of the familiarisation programme(s) for the Independent Directors of the Bank have been provided separately in the Report on Corporate Governance forms part of the Annual Report and can be accessible on website of the Bank at https://www.suryodaybank.com/assets/pdf/policies/SSFB%20Familiarization%20Programmes_Independent%20Directors_FY24.pdf

EMPLOYEES STOCK OPTION SCHEME AND OPTIONS GRANTED DURING FY 2023-24

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

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

It may kindly be noted that after coming into effect of the ESOP Scheme 2019, the earlier Scheme i.e. ESOP Scheme 2016

was closed for the purpose of granting new Options, however, Options which were already granted under the ESOP Scheme 2016, but yet to vest and the Option granted and vested but has not exercised under ESOP Scheme 2016, were valid till their eligible exercise period under the scheme.

The grant of Options to employees under Suryoday ESOP Scheme 2019 is approved by the Nomination and Remuneration Committee (“NRC”), in alignment with the Bank’s Compensation Policy, at the time of hiring, as part of the Annual Performance Review and also based on various factors such as scale, designation, performance, grades, period of service, role significance, and contribution to the Bank’s overall performance when determining the number of options to be granted.

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

The Bank is currently granting Options only from the ESOP Scheme 2019, wherein the remaining Options are 3,47,000 (Three Lakh Forty Seven Thousand only).

Therefore, taking into consideration the requirements of the abovementioned RBI Circulars and the growth plans of the Bank for coming years and in this regard to attract, hire and retain talented and experienced personnel from the industry, as well as to reward and motivate employees for their long association and in recognition of their dedicated service to the Bank, the Nomination and Remuneration Committee of Board and the Board of Directors have recommended to increase the pool of Option by adding 40,00,000 (Forty Lakhs only) Options in the ESOP Scheme 2019 to be utilised for granting Options to the Employees for coming years, pursuant to the approval of its Members and few other modifications in the ESOP Scheme 2019 as per the details provided in the Notice convening 16th Annual General meeting of the Bank. After adding the 40,00,000 (Forty Lakhs only) Options in ESOP Scheme 2019, total pool size of Options in ESOP Scheme 2019 would be 80,00,000 (Eighty Lakhs only) Options.

The applicable disclosure with regard to Employee Stock Option granted during FY 2023-24 is provided in **Annexure 2** to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Act, loans made, guarantees given, securities provided or acquisition of securities by a banking company in the ordinary course of its business are

exempted from the disclosure requirement under Section 134(3) (g) of the said Act. Details of Investments are given in Schedule 8 to the Financial Statements forms part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

During FY 2023-24, the Bank did not engage in any material significant transactions with related parties that could potentially create conflicts of interest between the Bank and these parties. The related party transactions during the year were carried out at arm’s length basis and in the ordinary course of business operations.

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

As per Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported in form AOC-2. The requisite disclosure has been made under Schedule 18 of the notes forming part of Audited Financial Statements for FY ended March 31, 2024.

The Related Party Transaction Policy as approved by the Board can be accessed on the website of the Bank at: https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Related_Party_Transaction_Policy_FY_22_23_2.0.pdf

RISK MANAGEMENT FRAMEWORK

The Bank is exposed to various risks which broadly fall under one or more of the categories of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Information and Cyber Security Risk etc. The Chief Risk Officer of the Bank is in-charge of the Risk Management functions under the oversight of the Risk Management Committee of the Board (“RMCB”). The Bank has a robust framework for risk management in the form of regular review of products and processes by the Compliance team, periodic internal audit of processes and operations, regular review of risk policies and periodic reporting to the RMCB and the Board. The RMCB overviews the nature of the relevant risks, impact thereof on the business of the Bank, implementation of the risk management policies and processes and reviewing of these Policies. Further details on the Risk Management are covered in the Management Discussion & Analysis, forming part of the Annual Report.

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

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



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

No material changes and commitments have occurred after the closure of FY 2023-24 till the date of this report, affecting the financial position of the Bank.

MANAGEMENT DISCUSSION & ANALYSIS

The Report on Management Discussion & Analysis for FY 2023-24, as stipulated in SEBI Listing Regulations forms part of the Annual Report.

CORPORATE GOVERNANCE

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

The Report on Corporate Governance along with the Certificate issued by Mr. Tushar Shridharani, Secretarial Auditors of the Bank confirming the compliance with the conditions stipulated in the SEBI Listing Regulations forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Bank, as part of its social responsibility, endeavours to positively contribute towards the economic, environmental and social well-being of the unserved and underserved sections of the society, thereby contributing to achieving inclusiveness in their growth and improving the quality of their lives.

The Bank has in place a 3 tier governance structure for the CSR activities comprising of the Board of Directors of the Bank, the Corporate Social Responsibility Committee ("**CSR Committee**") and the Head-CSR. The Bank has been actively involved in implementing impactful CSR projects aimed at enhancing the livelihoods of marginalised communities. These projects primarily focus on financial, banking & digital literacy for women, adolescent children and their parents, preventive, and reproductive health, promoting employability skills, community development and other initiatives that bring positive change to the targeted communities. CSR activities and funds of the Bank are closely monitored by the CSR Committee. Further, impact assessment of these projects was also carried out for FY 2023-24.

During the year under review, the Bank undertook a major part of its CSR initiatives through an implementing agency viz. Suryoday Foundation. The CSR activities undertaken during the year were Financial Literacy programs, Women Empowerment, Livelihoods, Health, and community engagement programs. The details of CSR activities in FY 2023-24 including those of ongoing projects are mentioned in the prescribed format and attached as **Annexure 3** to this Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, the top 1000 listed companies based on their market capitalisation as on March 31, every fiscal year, are mandatorily required to submit a Business Responsibility and Sustainability Report ("**BRSR**") on the environmental, social and governance disclosures as part of their Annual Report. The said Report describing the initiatives undertaken by the Bank from environmental, social and governance perspective has been uploaded on the website of the Bank and the same can be accessed at <https://www.suryodaybank.com/shareholders-meeting-agm-view-24-25>.

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

STATUTORY AUDITORS AND THEIR REPORT

M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration Number 001076N/N500013), who had been appointed for a period of Three (3) years, i.e. from the conclusion of Thirteenth (13th) AGM until the conclusion of Sixteenth (16th) AGM of the Bank, pursuant to the approval granted by the RBI vide letter Ref CO.DOS.RPD. No. S872 /08-62-005/2021-2022, dated August 13, 2021, would be retiring in the ensuing AGM of the Bank.

Pursuant to para 6.1 of the RBI Circular No. RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/ 08.91.001/2021-22 dt. April 27, 2021, the Audit Committee of the Board need to monitor and assess the independence of the Auditors and conflict of interest position in terms of relevant regulatory provisions, standards, and best practices. Accordingly, the Audit Committee and the Board of Directors at their respective meetings held on May 09, 2024, have reviewed the performance of M/s. Walker Chandio & Co LLP, Statutory Auditors of the Bank and assessed their independence in terms of RBI Circular No. RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dt. April 27, 2021 and found the same to be satisfactory and that they were acting independently without conflict of interest with the management.

Since, the Bank's existing Statutory Auditors, M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration Number 001076N/N500013), would be retiring in the ensuing AGM of the Bank. Accordingly, basis the submission made by the Bank to the RBI vide Bank's letter dated April 03, 2024, RBI had vide letter no. CO.DOS. RPD. No. S804/08.68.005/2024-25 dated May 02, 2024, approved the appointment of M/s. Mukund M Chitale & Co., Chartered Accountants, (FRN 106655W) as the new Statutory Auditors of the Bank, for the Financial Year 2024-25, being their first year. Basis the recommendation of the Audit Committee of the Board ("**ACB**"), the Board of Directors of the Bank at their meeting held on May 09, 2024, has approved the appointment of M/s. Mukund M Chitale & Co., Chartered Accountants, (FRN 106655W), as Statutory Auditors of the Bank subject to approval of Shareholders, to hold office for a

period of Three (3) years i.e. from the conclusion of Sixteenth (16th) AGM until the conclusion of the Nineteenth (19th) AGM of the Bank, for the purpose of the Audit of Bank' Financial Statements for the Financial Years 2024-25 to 2026-27, on such terms and conditions, including remuneration that may be fixed in this regard by the Board of Directors of the Bank in consultation with the Auditors, subject to the Audit firms satisfying the eligibility norms as stipulated therein each year and subject to the approval of RBI, every year. Therefore, the Board recommends the appointment M/s. Mukund M Chitale & Co., Chartered Accountants, (FRN 106655W), as Statutory Auditors of the Bank, for approval of the Members.

The Report, given by the existing Statutory Auditors M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration Number 001076N/N500013), on the financial statements of the Bank for FY ended on March 31, 2024, forms part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no offence of fraud was reported by the Auditors of the Bank under Section 143(12) of the Act.

SECRETARIAL AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Act, the Board has appointed Mr. Tushar Shridharani, Practising Company Secretary (FCS 2690/COP 2190) as Secretarial Auditor to conduct Secretarial Audit of the Bank for FY 2023-24. The Secretarial Audit Report for FY 2023-24 is annexed to this Directors' Report as **Annexure 4**. The report is self-explanatory and does not contain any qualification, reservation or adverse remark.

ADHERENCE TO SECRETARIAL STANDARD ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

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

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

In accordance with the RBI circular RBI/2015-16/315 DBR. BP.BC. No.76/21.07.001/2015-16, dated February 11, 2016, regarding implementation of Indian Accounting Standards (Ind AS), the banks have been advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the RBI in this regard. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under Section 133 of the Act and generally accepted accounting principles in India (**Indian GAAP**). In January 2016, the Ministry of Corporate Affairs ("**MCA**") issued the roadmap for implementation of new Ind AS, which were based on convergence with the International Financial Reporting Standards (**IFRS**), for scheduled commercial banks, insurance companies and non-banking financial companies (**NBFCs**). In March 2019, RBI deferred the implementation of Ind AS for

banks till further notifications as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard.

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

The Bank has adopted a Policy for Prevention of Sexual Harassment ("**POSH Policy**") at the workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee ("**ICC**") has been constituted in compliance with the provisions of the Act and the POSH Policy to review, investigate and take suitable action on complaints. An Appellate Committee has also been constituted under the Policy before whom a complainant who is not satisfied with the decision of the ICC can prefer an appeal.

Details of complaints received and resolved by the ICC during FY 2023-24 are as follows:

Number of complaints pending at the beginning of the year	0
Number of complaints received during the year	3
Number of complaints disposed of during the year	3
Number of complaints pending at the end of the year	0

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

DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING FOR NPAs

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2024 in terms of the requirements prescribed in RBI circular.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

Please refer https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Whistle_Blower_Policy_FY22_23_1.0.pdf for text of the Policy. The functioning of the Whistle Blower mechanism is subject to review by the Audit Committee.

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



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

During the year, the Bank did not undertake any activity relating to conservation of energy or technology absorption.

There was foreign exchange outgo of ₹ 11,96,492. Further, there were no earnings in foreign exchange.

DEPOSITS

Being a banking company, the disclosures relating to deposits as required pursuant to Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, are not applicable to the Bank. The details of the deposits received and accepted by the Bank as a Banking company have been disclosed in the financial statements for FY ended March 31, 2024 forming part of the Annual Report for FY 2023-24.

MAINTENANCE OF COST RECORDS

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

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

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

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

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

AWARDS AND RECOGNITIONS:

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

- The Bank got nominated in Top 3 from DSCI (Data Security Council of India) for following Best Practices towards data security in Small and Medium Financial Banks.
- The Bank received Best Defensive Security (Banking) 2nd Annual Cyber Security Excellence Award 2023, hosted by Quantic India.

PARTICULARS OF EMPLOYEES

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2024 and of the profit of the Bank for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- the annual accounts are prepared on a going-concern basis;
- the requisite internal financial controls followed by the Bank are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Krishna Prasad Nair

Part-time Chairperson & Independent Director
DIN: 0261 1496

Baskar Babu Ramachandran

Managing Director & CEO
DIN: 0261 1496

Date: August 01, 2024

Annexure -1

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

Subject: Certificate in pursuance of Regulation 34(3) read with clause (10)(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended on 31st March, 2024.

Dear Sir/Madam,

- Sub-clause (i) of Clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a listed entity to obtain a certificate from the Company Secretary in practice, disclosing that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing to act as directors of companies, by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.
- As on date of issue of this certificate, the Board of Directors of Suryoday Small Finance Bank Limited ("**the Company**"), a listed entity, is comprised of following Directors:

#	Name of Director	Designation	Appointment Date
1.	Mr. Krishna Prasad Nair (DIN: 02611496)	Non-Executive Part-time Chairman	22-07-2021
2.	Mr. Baskar Babu Ramachandran (DIN : 02303132)	Managing Director & CEO	10-11-2008
3.	Mr. Mrutunjay Sahoo (DIN: 00015715)	Director	01-12-2015
4.	Mr. Jyotin Kantilal Mehta (DIN: 00033518)	Director	13-02-2017
5.	Mr. John Arunkumar Diaz (DIN: 00493304)	Director	16-12-2019
6.	Ms. Swati Rajendra Datye (DIN: 06751552)	Director	01-02-2024
7.	Mr. Deepak Kumar Sharma (DIN: 10575402)	Director	11-04-2024*
8.	Mr. Ranjit Jayant Shah (DIN: 00088405)	Nominee Director	02-11-2018
9.	Mr. Hemant Premchandbhai Shah(DIN: 10548728)	Whole-time Director	01-04-2024*

**The Directors are appointed after March 31, 2024 but before the date of signing this certificate and therefore, their details have been mentioned in the table above.*

- I have been engaged to provide a certificate to the Company as referred in paragraph -1 – as mentioned above.
- For the purpose, I have considered and examined annual submissions made by each Director of the Company in pursuance of provisions of Section 164(2) read with rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, relevant information as displayed on the website of the Securities and Exchange Board of India as well on the website of the Ministry of Corporate Affairs and information generally available on public domain.
- And based on above; I state that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Company for the financial year ending on 31st March, 2024, by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

(Tushar Shridharani)

Practicing Company Secretary

FCS 2690 / COP 2190

Peer Review Certificate No.: 1509/2021

UDIN – F002690F000922037

Date: 7th August, 2024

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

Annexure -2

Employees Stock Options as on March 31, 2024:

ESOP Scheme	Opening balance of options (1.4.2023)	Options granted during the year	Options vested during the year	Options forfeited/ lapsed during the year	Options exercised and shares allotted during the year	Amount received (₹ in lakhs, inclusive of premium)	No. of options outstanding at the end of the year	No. of outstanding options at the end of the year (vested)	No. of outstanding options at the end of the year (yet to be vested)
ESOP Scheme 2016	271163	0	0	153225	23574	30.17	94364	91864	2500
ESOP Scheme 2019	2210560	1044942	423539	513982	18375	21.16	2723145	775939	1947206
Total	2481723	1044942	423539	667207	41949	51.34	2817509	867803	1949706

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

1. **Key Managerial Personnel:**

Name of employee	Designation	Number of Options
Kanishka Chaudhury	Chief Financial Officer	25429
Krishna Kant Chaturvedi	Company Secretary	5722

2. **Any other employee who received grant of option amounting to 5% or more of options granted during that year:**

Name of employee	Designation	Number of Options
Himanshu Mishra	Chief Business Officer - Retail Banking	125000
Sandeep Arora	Chief Product and Customer Experience Officer	150000

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

Annexure -3

The Annual Report on CSR Activities during the financial year 2023-24

1. Brief outline on CSR Policy of the Company: The Corporate Social Responsibility Policy (CSR Policy) of the Bank sets out the broad framework guiding the Bank's CSR activities. The Policy also sets out the principles and the rules that need to be adhered to while taking up and implementing CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 (excluding the activities pursued in the normal course of business) and the expenditure thereon.

2. Composition of CSR Committee:

Sl. 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. R. Ramachandran - Member [upto September 23, 2023]	Independent Director	2	2
2	Dr. Mandeep Maitra - Chairperson [upto January 30, 2024]	Independent Director	3	3
3	Ms. Swati Datye, - Chairperson [w.e.f. February 1, 2024]	Independent Director	0	0
4	Mr. Mrutunjay Sahoo - Member	Independent Director	3	3
5	Mr. Baskar Babu Ramachandran - Member	Managing Director & CEO	3	3

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

Board_Committees.pdf (https://www.suryodaybank.com/assets/pdf/Board_Committees.pdf)

Corporate-Governance-Policies-CSR-Policy.pdf (https://www.suryodaybank.com/assets/pdf/policies/Suryoday_CSR_Policy_FY23_24_2_0.pdf)

About Us (<https://www.suryodaybank.com/about-us#NaN>)

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. ₹ (4,70,47,208)

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. ₹ (9,40,944)

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **NIL**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 1,25,00,000

(b) Amount spent in Administrative overheads. **NIL**

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 1,25,00,000

(e) CSR amount spent or unspent for the Financial Year: ₹ 1,25,00,000

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,25,00,000	NIL				NOT APPLICABLE

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

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	(9,40,944)
(ii)	Total amount spent for the Financial Year	1,25,00,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1,25,00,000
(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)]	1,25,00,000

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

1	2	3	4	5	6		7	8
					Amount	Date of Transfer		
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
1	FY-1 (FY 23)	NIL		7,00,000				
2	FY-2 (FY 22)	79,00,000	79,00,000	72,00,000			7,00,000	
3	FY-3 (FY 21)	NIL	NIL	NIL			NIL	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired : **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

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, if applicable	Name	Registered address	
(1)	(2)	(3)	(4)	(5)	(6)			

Not Applicable

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **Not Applicable**

Sd/-

Baskar Babu Ramachandran

(DIN: 02303132)

(Managing Director & Chief Executive Officer)

Sd/-

Swati Datye

(DIN: 06751552)

(Chairperson of CSR Committee)

Annexure -4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024

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

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

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

Based on my verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Bank has, during the period covering the financial year ended on 31st March, 2024 (**"Audit Period"**) complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (**"the Act"**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, to the extent applicable:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Bank during the Audit period);
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the Bank during the Audit period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the SEBI Listing Regulations"**).

I have also examined compliance with the applicable regulations of the following:

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (b) The Listing Agreements entered into by the Bank with BSE Limited and National Stock Exchange of India Limited; and

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

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

- (i) The Banking Regulation Act, 1949;
- (ii) Reserve Bank of India (**"RBI"**) Guidelines / Directions / Circulars, as applicable to Small Finance Banks;



I further report that:

The Board of Directors of the Bank is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period under review were carried out in compliance with the provisions of the Act and applicable guidelines of the Reserve Bank of India.

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

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

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

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

(Tushar Shridharani)

Practicing Company Secretary
FCS 2690 / COP 2190

Peer review certificate number – 1509/2021

UDIN - F002690F000331359

Place: Mumbai
Date: May 09, 2024

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

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

This letter is an integral part of the Secretarial Audit Report of even date for F.Y. 2023-24 submitted to the Suryoday Small Finance Bank Limited (“the Bank”) in pursuance of provisions of Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Members of the Bank are informed as follow.

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

Place: Mumbai
Date: May 09, 2024

(Tushar Shridharani)
Practicing Company Secretary
FCS 2690 / COP 2190
Peer review certificate number – 1509/2021

Annexure -5

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

Remuneration details of Directors, KMPs, employees

Sr No.	Particulars	Disclosures		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Bank for FY 2023-24	Director	Remuneration (In ₹)	Ratio
		Mr. R. Ramachandran, Part-time Chairperson and Independent Director (upto September 23, 2023)	10,30,000	3:61
		Mr. Krishna Prasad Nair, Part-time Chairperson and Independent Director	21,40,000	7:50
		Mr. Mrutunjay Sahoo, Independent Director	21,90,000	7:68
		Mr. Jyotin Mehta, Independent Director	18,30,000	6:42
		Mr. Ranjit Shah*, Investor Director	Nil	Nil
		Mr. John Arunkumar Diaz, Independent Director	23,00,000	8:06
		Dr. Mandeep Maitra, Independent Director (Upto January 30, 2024)	10,20,000	3:58
		Mrs. Swati Datye, Independent Director (w.e.f. February 01, 2024)	2,20,000	0:77
		Mr. Baskar Babu Ramachandran Managing Director & CEO	1,76,00,000	61:70
2	The percentage increase in remuneration of each director, MD & CEO, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in FY 2023-24	KMP	% increase	
		MD&CEO	10.00	
		CFO	14.88	
		CS	4.48	
3	The percentage increase in the median remuneration of employees in the FY 2023-24	6.60%		
4	The number of permanent employees on the rolls of Bank as at 31 st March, 2024	7440		
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average Percentile Increase in salaries of employees other than managerial personnel: 37.99%		
		Avg. Percentile Increase in salaries of managerial personnel: 14.91%		
6	Affirmation that the remuneration is as per the Remuneration Policy of the Bank	Yes		

*Mr. Ranjit Shah, Investor Director, has waived the sitting fees payable to him.

Point No.2 in MD & CEO Remuneration include Fixed and Retirals (PF & Gratuity).

Point No.5 in Managerial Personnel include Fixed remuneration.

Point No.1 in MD & CEO Remuneration include Fixed and Retirals (PF & Gratuity).

Point No.1 For Directors, sitting fees paid for FY 24 has been considered.

Management Discussion and Analysis

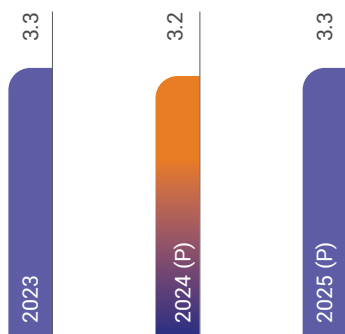
Economic Overview

Global Economy

The global economy is experiencing prolonged geopolitical turmoil, including conflicts between Ukraine and Russia, as well as between Israel and Palestine. However, the global economy has to a certain extent exhibited resilience and fortitude. According to the Annual Report of the Reserve Bank of India for FY24, multiple challenges exist in the form of elevated inflation, tight monetary and financial conditions, escalating geopolitical tensions, rising geoeconomic fragmentation, disruptions in key global shipping routes, high public debt burdens and financial stability risks. Global financial markets are on edge, with recurrent bouts of volatility as every incoming data increases uncertainty around monetary policy trajectories of major central banks.

To combat inflation, central banks in major economies implemented measured interest rate hikes. While this proved to be beneficial in reducing inflation rate, it dampened economic activity to some extent. Consequently, global growth dipped from 3.4% in CY22 to 3.3% in CY23. Additionally, the tightening of global financial conditions intensified fiscal and debt vulnerabilities in developing countries.

Growth in the Global GDP (in %)



P- projected

Source: World Economic Outlook July 2024, IMF

Since late CY2021, more than 85% of central banks worldwide have implemented monetary policy restrictions and interest rate hikes to combat rising inflation and steer clear of recessionary risks. This concerted effort reflects a proactive approach to stabilising economies and fostering sustainable growth amidst challenging global economic conditions.

Despite these hurdles, emerging economies such as India experienced substantial growth, supported by capital inflows from foreign institutional investors. Certain low-income and frontier economies reclaimed their market position as well.

Global growth is anticipated to sustain its growth momentum at 3.2% in CY2024 and 3.3% CY2025. As inflation eases more rapidly than anticipated across most regions, it is expected to ease monetary policy leading to a rebound in economic

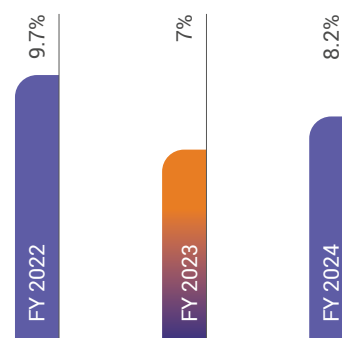
growth. This will further provide a more favourable environment for investment and development. However, with numerous elections scheduled worldwide, a cautious outlook prevails, especially with the risk of evolving geopolitical situations. These geopolitical risks, including ongoing conflicts in the Middle East and tensions in Europe, could impact economic stability and growth prospects.

Despite these challenges, high-frequency economic indicators suggest favourable momentum for most major economies. Declining inflation and increased government spending are expected to relieve fiscal pressures, paving the way for future investment and growth. However, the need for continued vigilance and strategic economic management on a global scale cannot be overlooked.

Indian Economy

Despite a sluggish global economy, India maintained its position as one of the world's fastest growing economies. As the reported year recorded markets experiencing volatility as geo-political turmoil intensified, interest rate hikes by the US Fed turned aggressive and the global outlook deteriorated, it dampened investors' sentiments. However, the Indian economy demonstrated resilience with the equities market recording a little increase in trading amidst pressure from the foreign exchange market and portfolio withdrawals. This also translates to the increase in investments done by local organisations. According to the National Statistical Office (NSO), India clocked a real GDP growth of 8.2% during FY2024.

India GDP growth rate in (in %)



(Source: PIB Press Release, May 2024)

In addition to this, the Indian banking industry has historically been one of the most stable systems globally, despite global upheavals. In FY2023-24, the Reserve Bank of India (RBI) launched the Payments Vision, expanding pilot projects in CBDC (Central Bank Digital Currency). With the aim to expand reach, the projects feature various applications for both retail and wholesale purposes. Furthermore, the RBI plans to transcend borders. For instance, the UPI-PayNow connection with Singapore allows users of both systems to make instant fund

transfers, fostering cross-border interoperability of payments. In addition to this, in the reported year, UPI was introduced in UAE across its different outlets across the country.

(Source: Deloitte Indian economic outlook, April 2024)

Outlook

The Indian economy is expected to benefit from increased public investment support and improved balance sheets of both banks and corporates. According to the RBI Annual Report, the outlook for the Indian economy remains bright, underpinned by a sustained strengthening of macroeconomic fundamentals, robust financial and corporate sectors and a resilient external sector. The government's continued thrust on capex while pursuing fiscal consolidation, and consumer and business optimism augur well for investment and consumption demand.

Moreover, government consumption is supposed to gradually increase, in line with central government's efforts to lower the share of current spending. With the Government focusing on increasing capex, it is further creating a favourable environment for growth. As countries seek alternatives to China, India is steadily emerging as preferred manufacturing hub. The Indian economy is expected to become the world's third-largest economy by 2027, surpassing Japan and Germany.

(Source: Deloitte Indian economic outlook, April 2024)

Industry overview

Indian Banking Industry

In FY 2023–2024, the Indian banking industry exhibited resilience and strength, underpinned by solid profitability metrics, sound capital buffers and robust asset quality. Bank credit growth sustained its momentum in 2023-24, registering a growth of 15.1% as of March 17, 2024, compared to 13.2% a year ago. This robust credit offtake was broad-based, with both retail and industrial segments witnessing double-digit growth. However, due to subdued deposit growth, it resulted in decline in credit growth, leading to some tightening in liquidity conditions and upward pressure on lending rates. Furthermore, the RBI remained vigilant to emerging risks, such as the impact of monetary policy normalisation on asset quality and profitability as well as the potential build-up of vulnerabilities in specific sectors. Asset quality pressures from the previous credit cycle are subsiding, creating a favorable business environment and bolstering banks' potential and appetite for growth.

*Total Deposits

₹204.0 Lakh Crore

*as on March 2024

Deposits form
more than 60%
 of the total economy

The capital to risk-weighted assets ratio (CRAR) of scheduled commercial banks (SCBs) remained well above the regulatory requirement with the CRAR of public sector banks (PSBs) improving significantly in recent years.

Additionally, the asset quality of SCBs improved further, with the gross non-performing assets (GNPA) ratio declining to 3.0% in FY2024 from 3.4% recorded a year ago. The net NPA ratio also moderated to 1.1% from 1.3%, calculated during the same period. This improvement can be attributed to increasing recoveries, write-offs and a moderation in fresh slippages. Profitability indicators such as return on assets (RoA) and return on equity (RoE) remained robust, supported by healthy net interest margins (NIMs) and lower credit costs.

Banking Sector net profit surpassed 3 trillion

In FY 2023-24, the RBI implemented several key measures to strengthen the banking sector and ensure financial stability. One of the significant initiatives was the introduction of the Public Tech Platform for Frictionless Credit (PTPFC), developed by the RBI Innovation Hub. This platform facilitates quicker disbursement of loans by leveraging digital technologies and data analytics, thereby reducing the turnaround time for loan approvals. Additionally, the RBI continued to promote the co-lending model, enabling banks and non-banking financial companies (NBFCs) to co-originate loans, improving credit access for underserved segments.

As per the ICRA report on Indian Banking Sector Outlook, it is expected that credit growth and profitability metrics would moderate, though the same would continue to remain healthy. The compression in interest margins over the last 18 months has been driven by rising deposit cost. Despite margin compression, the growth in loan book is expected to translate into steady operating profits, aided by benign credit costs.

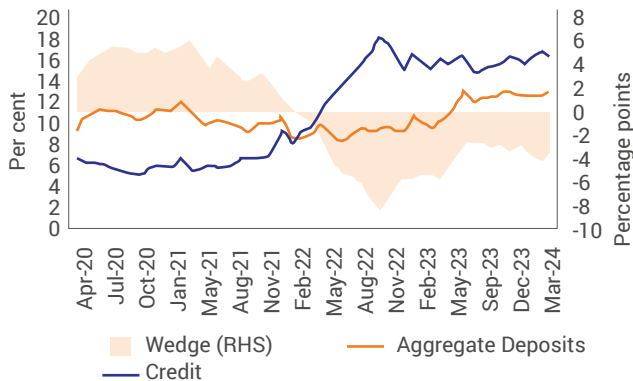
Consistent decline in GNPA across Banking industry

Bank credit growth sustained its momentum in 2023-24, registering a growth of 15.1% as of March 17, 2024, compared to 13.2% a year ago. This robust credit offtake was broad-based, with both retail and industrial segments witnessing double-digit growth. However, due to subdued deposit growth, it resulted in decline in credit growth, leading to some tightening in liquidity conditions and upward pressure on lending rates. In addition to this, the repo rate in FY 2024 remained unchanged at 6.5%¹. However, any hike in the repo rate is passed by the banks to customers, further, it makes borrowings costlier. Furthermore, the RBI remained vigilant to emerging risks, such as the impact of monetary policy normalisation on asset quality and profitability as well as the potential build-up of vulnerabilities in specific sectors.

¹<https://pib.gov.in/PressReleasePage.aspx?PRID=2034950>

Split of Gross Domestic Loan Book (in Lakh Cr)

a. Aggregate Deposits and Credit Growth - Wedge



(Source: RBI Annual Report 2023-24)

Key measures taken by the RBI

In FY 2023-24, the RBI implemented several key measures to strengthen the banking sector and ensure financial stability. One of the significant initiatives was the introduction of the Public Tech Platform for Frictionless Credit (PTPFC), developed by the RBI Innovation Hub. This platform facilitates quicker disbursement of loans by leveraging digital technologies and data analytics, thereby reducing the turnaround time for loan approvals. Additionally, the RBI continued to promote the co-lending model, enabling banks and non-banking financial companies (NBFCs) to co-originate loans, improving credit access for underserved segments.

To improve the resolution of stressed assets, the RBI also introduced a framework for compromise settlements and technical write-offs. In addition to this, the Prompt Corrective Action (PCA) framework was extended to include government NBFCs (except those in the Base Layer), to ensure timely supervisory intervention and maintain financial health.

The RBI is also focused on enhancing the resilience of the banking sector through various supervisory initiatives. The implementation of DAKSH, an advanced supervisory monitoring system, streamlined communication and dissemination of threat intelligence to supervised entities. Additionally, the RBI also conducts comprehensive on-site cyber risk assessments of major supervised entities to mitigate cyber threats. These measures, coupled with the RBI's continuous efforts to strengthen governance and assurance functions, have significantly bolstered the stability and robustness of the Indian banking sector.

Inclusive Finance

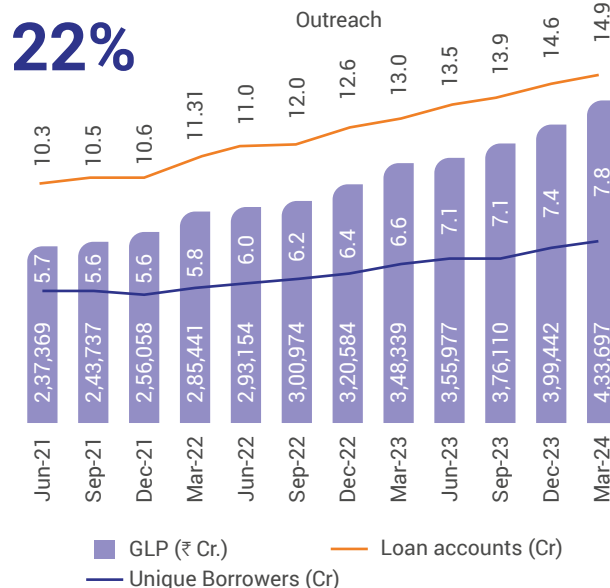
Microfinance or Inclusive Finance as a sector has seen substantial growth in the last few years with the micro-credit industry mainstreaming within the broader financial sector. Some of the large NBFC-MFIs have become Small Finance Banks (SFBs) and some have been bought over by other banks / large NBFCs. The sector has also attracted larger banks and NBFCs who have started building their own micro-credit portfolio through BC partnerships. As a result of mainstreaming, micro-

credit sector today is competitive and served by a diverse set of players - Banks, SFBs, NBFC-MFIs, BCs and NBFCs.

The Indian inclusive finance industry is anticipated to sustain its robust growth trajectory in the upcoming year, driven by the Government's focus on promoting financial inclusion and the increasing adoption of digital technologies. As per MFIN, the outstanding microfinance portfolio stood at around Rs 433,697 Crore. Additionally, the number of unique borrowers served by the microfinance industry increased to 7.8 crore, as recorded through 14.9 crore loan accounts.

Industry trends

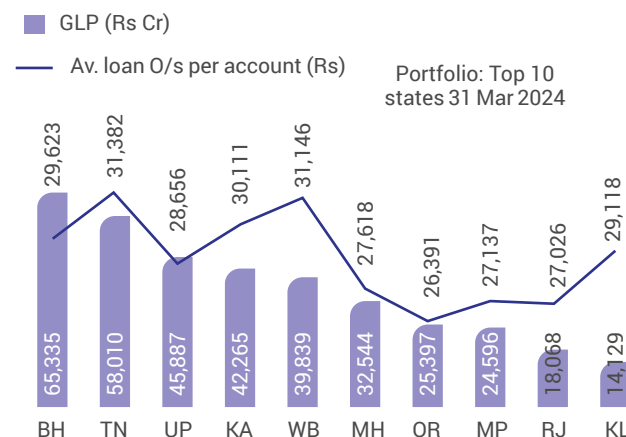
CAGR



(Source: MFIN Synopsis Issue 49)

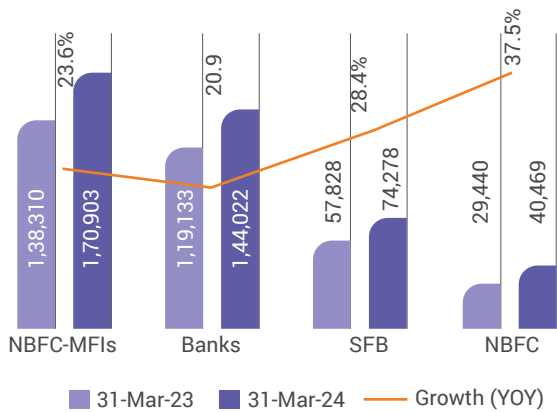
As of March 2024, the microfinance sector remained a crucial component, with the gross loan portfolio (GLP) of NBFC-MFIs constituting 40% of the overall micro-credit outstanding across lenders. The top 10 states accounted for 84.4% of the total GLP, with Bihar remaining the largest state in terms of portfolio outstanding, followed by Tamil Nadu and Uttar Pradesh.

The growth in the microfinance sector surpassed the challenges owing to the pandemic and grew. In the present times, the growth in the microfinance sector have exhibited remarkable resilience.



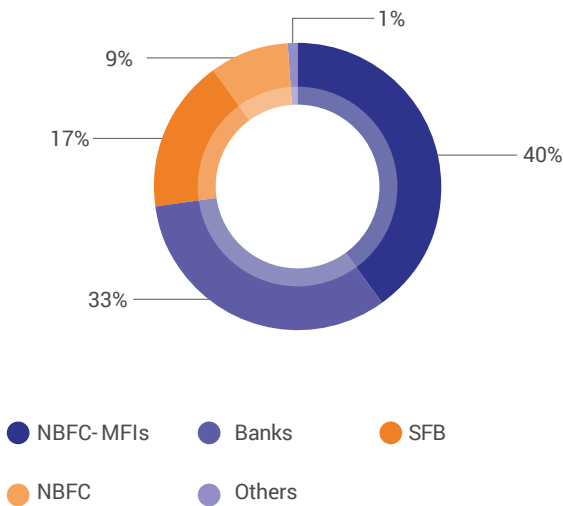
(Source: MFIN Synopsis Issue 49)

Portfolio outstanding of the microfinance industry (Rs Cr)



(Source: MFIN Synopsis Issue 49)

Micro-credit loan outstanding across lenders (31 March 2024)



(Source: MFIN Synopsis Issue 49)

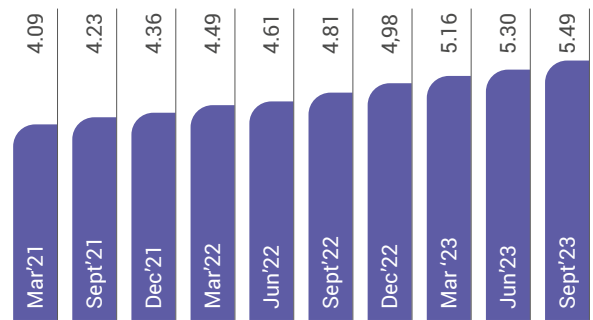
The Financial inclusion Index increased from 60.1 in FY 2023 to 64.2 in FY 2024.

Housing Loan

In FY 2023-24, the Indian housing loan market witnessed tremendous growth driven by supportive government policies, increased disposable incomes and rapid urbanisation. The Indian Home Loan market, which currently is at ~ INR 26 trillion, constitutes about 17% of the total credit. It is expected that the Home Loan market would double by FY28. Part of the growth is due to low mortgage penetration, in terms of home ownership or housing loans, which provides for sufficient growth potential on the back of rising affordability.

The increasing adoption of digital technologies has streamlined loan application and approval processes. For instance, the Public Tech Platform for Frictionless Credit (PTPFC) by the RBI which was launched as a pilot project in 2023 aimed to simplify the integration of vital financial data through open APIs, boosting operational efficiency. Centralizing potential borrowers' information on a unified platform would lead to streamlining of processes.

Graph 3.3: Outstanding Individual Housing Loan of HFCs* (Amount in lakh crore)



(Source: National Housing Bank)

Additionally, the weighted average lending rate for housing loans has remained stable, making home loans more affordable for a larger segment of the population. The Indian housing loan segment is anticipated to maintain its positive growth momentum, buoyed by favourable economic conditions and ongoing government initiatives to promote home ownership. There has been a visible increase in the demand for housing loans as a percentage of GDP from FY 2012 to FY 2024. The banks have played a significant role in driving the growth of the housing finance sector.

Moreover, the regulation was laid for the banks to decide the quantum of loan to be granted under the housing finance.

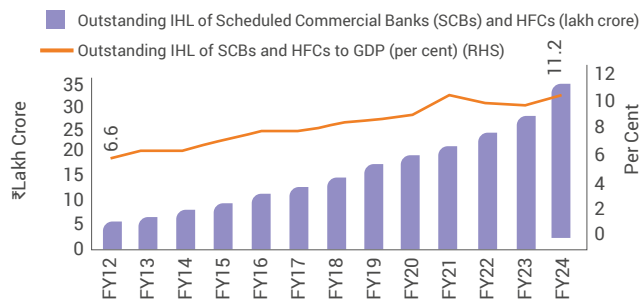
Category of Loan	LTV Ratio (%)	Risk Weight (%)
(a) Individual Housing Loans		
Upto 30 lakh	≤ 80	35
Above 30 lakh & upto 75 lakh	> 80 and ≤ 90	50
Above 75 lakh	≤ 80	35
(b) CRE - RH	≤ 75	50
	NA	75

Source: Reserve Bank of India (2023)

²https://www.pdicai.org/Docs/RBI-2023-24-08_442023155838333.PDF

The home loan provided by NBFC offers flexible eligibility criteria, competitive interest rate, streamline the application process and bring a quick approval with reduced waiting period for the borrowers. In addition to this, small finance banks also offers home loans with quick minimum documentation process and quick disbursals compared with old legacy banks. Moreover, the technology has significantly transformed the process of home loan beginning from the final approval to final approval. Moreover, the digital advancement has further simplified the method for the fulfilling their home ownership aspiration.

Increase in Individual Home Loans (IHL)



Source: RBI & National Housing Bank (NHB)
*Note: GDP at current prices is considered.

Pradhan Mantri Awas Yojana (PMAY)

Pradhan Mantri Awas Yojana (Urban) aims to provide affordable housing facilities to all individuals and families from economically backward. The PMAY also offers the benefit to the minorities, scheduled cast and scheduled tribes and also to the marginalised communities. The PMAY schemes is categorised into PMAY-G and PMAY-U, wherein, under the PMAY - U schem potential homeowners can avail subsidy paid on the interest paid on the home loans.

Section 80EE and Section 80EEA

The Government provided tax benefit through Section 80EE and Section 80EEA of the Income Tax Act. The section 80EE was special home loan tax benefit to homeowners who bought home for the first time. This initiative reduced the burden of tax and making the first purchase easier.

Whereas, 80EEA extra deduction can be claimed upto INR 1.5 lakh on the interest paid on the home loan.

Affordable Housing

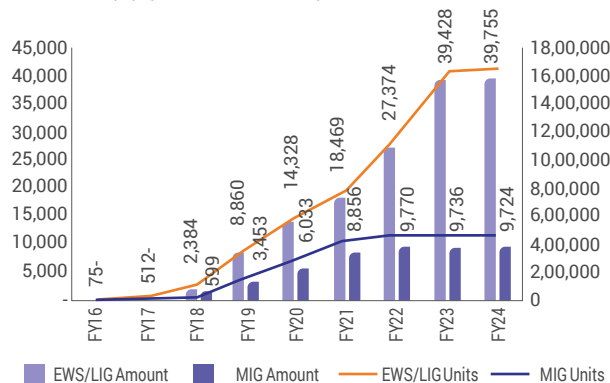
According to the RBI, priority sector housing loans based upto INR 35 lakhs are categorised as affordable home loans. The key characteristics of an affordable housing loan are the customer profile (Limited formal documentation of income) and the size of dwelling unit, which generally ranges between ~300-600 sq. ft.

The Indian government has launched numerous programmes to meet the nation's increasing housing needs. For example, the Pradhan Mantri Awas Yojana (PMAY) has been instrumental in driving the growth of affordable housing. As of March 2024, over 1.2 crore houses have been sanctioned under PMAY-Urban,

with around 65 lakh houses completed. On the other hand, the Credit Linked Subsidy Scheme (CLSS) under PMAY has also seen significant uptake, with over 19 lakh beneficiaries availing subsidies for purchasing or constructing affordable homes. These initiatives have made home ownership more accessible to economically weaker sections and low-income groups.

Owing to incentives such as tax benefits and reduced GST rates, the affordable housing segment has also seen increased participation from private developers. The affordable housing segment accounted for nearly 40% of the total housing loan disbursements in 2024, reflecting the growing demand for affordable homes. The Government's focus on infrastructure development, including the construction of new urban centres and smart cities, has also contributed to the growth of the affordable housing sector. Overall, the affordable housing sector is poised for sustained growth in the upcoming years, addressing the housing needs of millions of Indians.

Graph 2.6: Cumulative Subsidy Disbursement by NHB under PMAY-CLSS(U) (Amount in crore)



(Source: National Housing Bank)

Owing to incentives such as tax benefits and reduced GST rates, the affordable housing segment has also seen increased participation from private developers. The Affordable Rental Housing Complexes (ARHCs) scheme has further augmented the supply of affordable rental housing units, catering to the needs of migrant workers and preventing the growth of future slums. The affordable housing segment accounted for nearly 40% of the total housing loan disbursements in 2024, reflecting the growing demand for affordable homes.

The Government's focus on infrastructure development, including the construction of new urban centres and smart cities, has also contributed to the growth of the affordable housing sector. In addition to this, the RBI's measures to enhance credit flow to the sector, such as including the co-lending model with HFCs and the extension of priority sector lending status, have facilitated easier access to finance for affordable housing projects. Overall, the affordable housing sector is poised for sustained growth in the upcoming years, addressing the housing needs of millions of Indians.

Commercial vehicle loans

Vehicle finance segment (CVs, PVs, Two-wheelers, tractors, used cars) is closely linked to the macroeconomic environment.



Overall vehicle finance segment in India stood at approximately 11.85 trillion as of FY23, witnessing a CAGR of ~11% from FY19. With the recovery on demand side post the pandemic, the vehicle financing witnessed ~ 24% y-o-y growth from FY22. It is expected to grow at a CAGR of ~ 16-18% in the next 3-4 years.

In 2024, the Indian CV loans sector experienced strong expansion, propelled by the country's ongoing economic momentum and the government's focus on infrastructure development. As of December, 2023, the outstanding loans for commercial vehicles grew by 18.2% YoY, reflecting the strong demand for transportation services and the replacement of aging fleets. (Source: RBI Annual Report 2023-24)

The growth in CV loans was supported by several factors, including the implementation of the Vehicle Scrappage Policy, which incentivised the replacement of old vehicles with newer, more fuel-efficient models. Additionally, with the Government emphasising upon infrastructural development, initiatives such as the Bharatmala Pariyojana and the development of industrial corridors, have propelled the demand for commercial vehicles, particularly in the medium and heavy-duty segments.

Increased profitability and asset quality by the Banks have allowed them to more securely issue loans to the CV segment. Through embracing digitisation and data analytics, lenders have streamlined risk management procedures and improved underwriting procedures in the CV loan market.

The Vehicle finance segment is a heterogeneous business as there are no market leaders who dominate the overall segment and each lender has distinct competitive positioning and customer profiles. While commercial vehicle, two-wheeler and tractor financing is dominated by NBFCs, banks have a strong share in passenger vehicles and used cars segment.

On the geographical divide basis, the semi-urban market was the dominant market followed by the metro region and thereafter by the rural segment.

Despite the buoyant growth in the past few years, India still continues to be under-penetrated in respect of the automobile market when compared with both developed economies and certain developing nations, suggesting substantial untapped growth opportunities.

National Logistics Programs

The national logistic program (NLP) was launched along with the PM GatiShakt Master Plan to address the development of the logistic sector and soft infrastructure of the country. The program aimed to reduce the cost of logistics in India, improve the logistic performance index ranking and to create a data driven decision support system for an efficient logistics ecosystem. This initiative undertaken by the Indian Government is anticipated to drive the growth in the commercial vehicles in India through offering better infrastructure facilities.

National Logistics Programs

The section 80EEB of the income tax allows the individuals to claim tax savings up to INR 1.5 lakh on the interest paid for the loan taken to purchase the EV.

Secured Business Loans (SBL) / Loans Against Property (LAP)

The resurgence of economic activity and the government's focus on the MSME sector propelled the growth of the secured business loans/loans against property (SBL/LAP) segment

in the year under review. The outstanding SBL/LAP portfolio of scheduled commercial banks grew by 16.2% YoY as of December 2024, compared to 13.8% growth in the previous year. This growth was primarily driven by the increasing demand for credit from micro, small and medium enterprises (MSMEs) and the self-employed segment.

(Source: RBI Annual Report 2023-24)

Effective governmental initiatives and robust monetary policies implemented by the RBI further facilitated the growth in the SBL/LAP segment. The Emergency Credit Line Guarantee Scheme (ECLGS), which provided collateral-free loans to MSMEs and businesses, was extended until March 2024, providing further impetus to credit offtake. Additionally, the Reserve Bank's co-lending model gained traction, particularly in the SBL/LAP space, improving credit flow to the last-mile borrowers.

The SBL/LAP is poised for growth, driven by India's robust economic growth, improving asset quality of banks improving and increasing the Government's focus on promoting entrepreneurship and the MSME sector.

Company overview

Completed 7 years of Small Finance Bank (SFB)

Suryoday Small Finance Bank Ltd. (Suryoday SFB) has established itself as a leading player in the small finance banking sector in India, consistently focusing on providing financial services to the underserved and unbanked segments of the population. The Company has been operating as a SFB since 2017. The Bank's aims to offer a wide range of banking products and services, including microfinance, retail loans, deposits and insurance, tailored to meet the diverse needs of its customers. As of March 31, 2024, Suryoday SFB operates through a robust network of branches, spanning 15 states and union territories, serving over 2.8 million customers.

In the financial year 2023-24, the bank demonstrated strong financial performance and operational resilience. The Bank's

total assets grew by 25.4% YoY, reaching 12,377.7 crore, driven by robust growth in its loan portfolio and deposit base. While the gross advances stood at 8,650 crore including IBPC of 400 Crores, reflecting a YoY growth of 41.5%, the deposits expanded by 50.5% to 7,777 crore. Overall, the Bank maintained a healthy capital adequacy ratio, with the gross non-performing assets (GNPA) ratio improving to 2.8% from 3.1%. Suryoday SFB's commitment to digital transformation and customer-centric initiatives has aided the Bank to enhance its service delivery and boost operational efficiency, positioning the Bank for sustained growth in the coming years.

Product Portfolio

Suryoday SFB offers a diverse range of products and services catering to the financial needs of individuals, businesses and institutional clients. The bank's product portfolio encompasses inclusive finance offerings such as joint liability group (JLG) loans, Vikas loans for micro-enterprises and other collateral-free credit facilities. In the retail segment, the Bank provides affordable housing loans, commercial vehicle loans, secured business loans and gold loans. In addition to this, Suryoday SFB also offers a suite of deposit products, including savings accounts, current accounts, recurring deposits and fixed deposits, to meet the varied requirements of its customers.

The bank also provides financial intermediary group (FIG) loans, including lending to microfinance institutions, non-banking financial companies, and other financial intermediaries. Additionally, Suryoday SFB offers customised solutions for corporate clients, such as cash management services, trade finance facilities and other tailor-made banking products. With the advent of digitalisation, the Bank also offers mobile banking, internet banking and other digital payment solutions. These facilities cater to the tech-savvy customers, enabling seamless and convenient banking experiences.

Asset Products

The Bank's asset products are categorised into

- (i) Loans for Inclusive Finance segment, comprising loans to joint liability groups (JLGs) and to individuals in the form of Vikas Loan
- (ii) Commercial vehicle loans
- (iii) Mortgages and Micro Mortgages
- (iv) Loans to financial intermediary groups (FIGs)
- (v) Other loans

Categorisation is largely determined by customer profile, type of security (as applicable) and end-use.

The table below sets forth the Bank's Gross Loan Portfolio by product category:

Products	As of 31st March			
	2024		2023	
	(₹ crore)	% of total	(₹ crore)	% of total
JLG	2,389	28%	2,511	41%
Vikas	2,683	31%	1,232	20%
CV	798	9%	391	6%
HL	672	8%	555	9%
LAP	681	8%	405	7%
Micro-Mortgage	235	3%	87	1%
FIG	848	10%	688	11%
Partners	130	2%	113	2%
#Others	215	2%	132	2%
Total	8,650*	100%	6,114	100%

* including IBPC Portfolio of 400 crores

#Others include Smile OD, MBL, Overdraft against FD and Staff Loan

Note: Figures may not add up due to rounding off

Inclusive Finance

The Inclusive Finance segment, which includes the Joint Liability Group (JLG) loans and Vikas individual loans, continued to be the core business for Suryoday SFB in the year under review. The segment's gross advances grew by 35.5% YoY to Rs. 5,072 crores as of March 31, 2024, driven by strong disbursements across both JLG and Vikas loan portfolios.

As of March 31, 2024, the JLG portfolio stood at Rs. 2,389 crores, contributing 47% to the overall inclusive finance book. Disbursements in the JLG segment were Rs. 2,137 crores during the year, with a collection efficiency of 94.6% on a one EMI adjusted basis.

The Vikas loan portfolio crossed Rs. 2,683 crores, now contributing 53% of the inclusive finance book. Vikas loan disbursements almost doubled from the previous year to Rs. 2,523 crores in FY2023-24. The collection efficiency for Vikas loans stood at 98.0% on a one EMI adjusted basis. As of March 31, 2024, the Bank had over 4.3 lakh Vikas loan customers.



With the aim to expand its reach in the inclusive finance segment, the Bank added many new branches and banking outlets during the year. The regional concentration risk also declined marginally, with the top three states accounting for 66% of the inclusive finance portfolio as of March 31, 2024. The asset quality in the inclusive finance segment remained stable, with the Gross NPA ratio at 3.5% and Net NPA ratio at 0.8% as of March 31, 2024. The Bank maintained a Provision Coverage Ratio of 78% for the inclusive finance portfolio, reflecting its prudent risk management practices.

The Bank aims to transition from being predominantly a micro-lender to becoming a 'micro-banker' for low-income households. It plans to leverage its inclusive finance distribution network to provide holistic banking services to drive financial inclusion further.

Commercial Vehicles (CV)

The Commercial Vehicles (CV) segment continued to be an important portfolio for Suryoday SFB in FY2023-24. As of March 31, 2024, the Bank's gross CV advances grew by 104% YoY to Rs. 798 crores, driven by robust disbursements of Rs. 634 crores during the year.

The collection efficiency for the CV portfolio remained healthy at 96.5% on a one EMI adjusted basis for FY2023-24 and 97.9% for March, 2024. The Bank also added a significant number of new CV customers during the year.

The asset quality in the CV segment remained stable, with the Gross NPA ratio at 0.8% and Net NPA ratio at 0.3% as of March 31, 2024. The Bank maintained a Provision Coverage Ratio of 57.6% for the CV portfolio, reflecting the Bank's prudent risk management practices.

With the nation exhibiting a robust growth trajectory and the Government's increased focus on developing infrastructure, the Bank remains optimistic about the growth in the CV segment. It will continue to focus on maintaining a balanced portfolio mix while more focus on retail customers and adhering to stringent credit norms and risk management practices.

Mortgage

The mortgage segment, comprising home loans, loan against property (LAP) and micro-mortgages, played a pivotal role in driving Suryoday SFB's success in FY2023-24. The Bank's mortgage portfolio, including retail and micro-mortgage loans, grew by 51.7% YoY to Rs. 1,588 crores as of March 31, 2024.

As of March 31, 2024, the home loan portfolio stood at Rs. 672 crores, contributing 42% to the overall mortgage book. Disbursements in the home loan segment amounted to Rs. 220 crores during the year, with a collection efficiency of 95.4% on a one EMI adjusted basis. The Bank also increased its total home loan customer base to a substantial figure as of March 31, 2024.

Similarly, the LAP portfolio crossed a significant milestone of Rs. 681 crores, currently contributing over 43% of the mortgage book. LAP disbursements grew by 45% to Rs. 374 crores in FY2023-24 compared to Rs. 257 crores in the previous year.

On the other hand, the micro-mortgage portfolio, catering to the affordable housing segment, also witnessed robust growth during the year. The micro-mortgage book stood at Rs. 235 crores as of March 31, 2024, with disbursements of Rs. 163 crores during FY2023-24. The collection efficiency for micro-mortgages remained strong at 99.5% on a one EMI adjusted basis.

The asset quality in the mortgage segment remained stable, with the Gross NPA ratio at 2.0% and Net NPA ratio at 1.5% during the financial year under review. Additionally, the Bank maintained a Provision Coverage Ratio of 26.6% for the mortgage portfolio.

Looking forward, the Bank aims to further strengthen its presence in the mortgage segment, leveraging its extensive branch network and customer base. It plans to focus on product innovation, digital initiatives and strategic partnerships to drive growth in the affordable housing and self-employed segments.

The bank also intends to increase its focus on the MSME lending with focus on both the secured as well as unsecured space. Given the spread of the customers of the bank and based on the demand for MSME loans, the bank is looking to introduce bespoke products to cater to the business needs of its customers.

Financial Intermediary Group (FIG) Loans

The FIG loan portfolio, catering to financial intermediaries such as microfinance institutions and non-banking finance companies, emerged as a key contributor to the Secured Business Loan segment. As of March 31, 2024, the FIG loan book stood at Rs. 848 crores, with disbursements standing at Rs. 692 crores during the year.

The bank's FIG portfolio consists of financial intermediaries who on-lend to the customers requiring microfinance loans, housing loans, consumer loans, etc.

The FIG loan portfolio maintained an impressive collection efficiency of 100% on a one EMI adjusted basis for FY2023-24, reflecting the Bank's robust credit underwriting and monitoring processes.

Deposit Franchise

On the liability side, the Bank continued to focus on building a granular and sticky retail deposit base. The total deposits grew by 50.5% YoY to Rs. 7,777 crores as of March 31, 2024, with retail deposits (including CASA) contributing 78.8% to the overall deposit book.

The CASA ratio improved from 17.1% in FY2022-23 to 20.1% in FY2023-24, reflecting the Bank's efforts to mobilise low-cost funds and enhance its deposit franchise. The Bank's focus on geographic diversification of deposits also yielded positive results, with deposits being sourced from 15 states and union territories across the country.

Looking forward, the Bank aims to further strengthen its deposit franchise by leveraging its extensive branch network, introducing innovative product offerings and enhancing its digital banking capabilities to cater to the dynamic market needs.

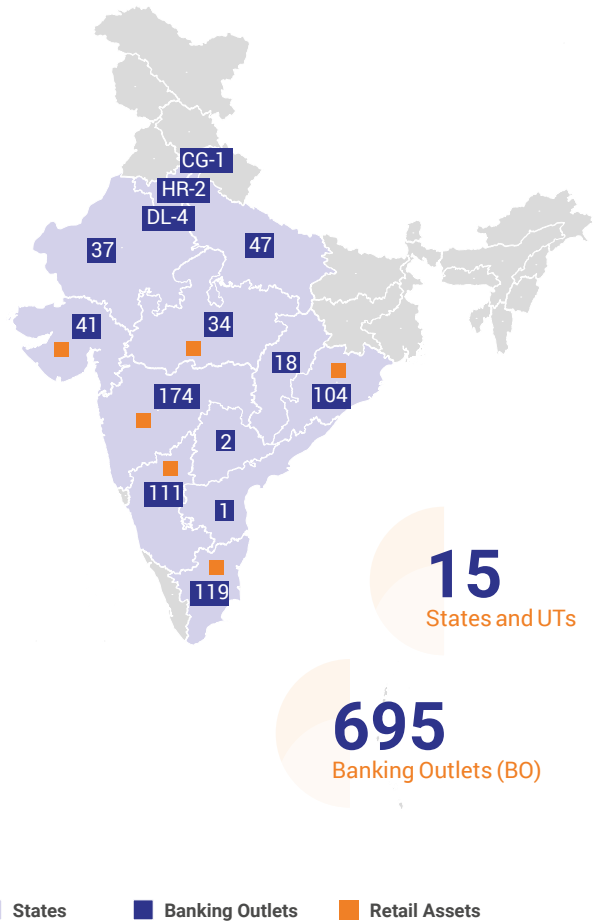
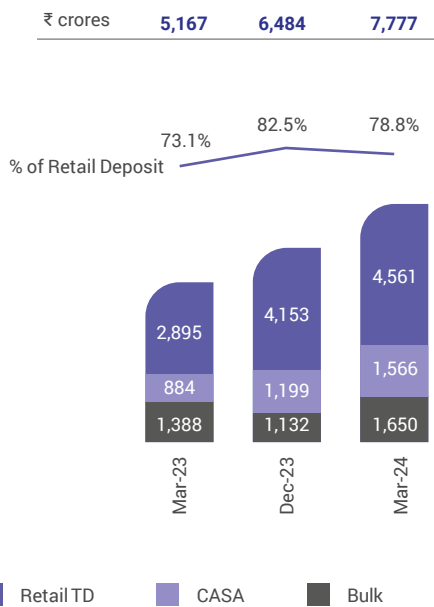
There is a segment of customers who are tech-savvy and who are comfortable using digital means for banking and transacting. The Bank intends to focus on garnering deposits from these customers by building a completely digital journey. The Bank has already created a digital journey as a pilot and expects the same to contribute significantly in the coming years. The Bank would also leverage the existing branch network to penetrate in these geographies and would also expand into select geographies to expand its footprint as well as the business.

Geographical presence

The bank carries out its operations through its wide range of banking outlets. These includes URCs, the BC network, PoS terminals and various digital channels, including internet banking through its website, phone banking through its call centre and mobile banking through the mobile application.

As of 31 March 2024, the Bank operated 695 banking outlets across 15 states and Union territories.

Deposits



*119 branches in Tamil Nadu includes 2 branches in Puducherry

Branch Distribution

Particulars	FY24	FY23
Asset focused outlets	392	324
Liability focused outlets	109 [@]	95 [@]
Rural Centers	194	158
Total	695	577

[@]Includes composite branches

Geographical Mix of the Branches

Outlets	Asset Focused	Liability Focused	Rural Centres	Total
Maharashtra	76	42	56	174
Tamil Nadu*	65	22	32	119
Karnataka	76	12	23	111
Odisha	29	10	65	104
Gujarat	36	5	-	41
Madhya Pradesh	25	4	5	34
Others	85	14	13	112
Total	392	109	194	695

Key Highlights for FY23-24

Asset and Deposit Business

- Gross advances stood at Rs. 8,650 crores as of March 31, 2024, an increase of 41.5% year-on-year, driven by increased disbursements across inclusive finance, commercial vehicle and mortgage segments.
- The Vikas Loan (individual loan) portfolio surpassed Rs. 2,600 crores, contributing over 53% of the inclusive finance book.
- Total deposits grew by 50.5% year-on-year to Rs. 7,777 crores as of March 31, 2024.
- Retail deposits (including CASA) contributed 78.8% to the overall deposit book.
- The CASA ratio improved from 17.1% in FY2022-23 to 20.1% in FY2023-24.

Business Performance

- NII stood at Rs. 962.2 crores in FY2023-24, an increase of 28.9% year-on-year.
- Total disbursements for FY2023-24 rose by 36.1% to Rs. 6,919 crores compared to the previous year.
- Vikas Loan disbursements almost doubled to Rs. 2,523 crores in FY2023-24.
- The Bank had a network of 695 branches as of March 31, 2024, with 109 liability-focused branches and 392 asset-focused branches.

Balance Sheet

- Total assets stood at Rs. 12,377.7 crores as of March 31, 2024, an increase of 25.4% year-on-year.
- Net advances (excluding IBPC and provisions) were Rs. 8,078.0 crores.
- Total deposits were Rs. 7,777.3 crores as of March 31, 2024.
- Borrowings stood at Rs. 2,443.0 crores, forming approximately 20% of total liabilities.

Financial Ratios

- Yield improved to 20.2% in FY2023-24 from 19.3% in FY2022-23.
- Cost of funds increased from 6.7% in FY2022-23 to 7.3% in FY2023-24.
- NIM increased from 9.5% in FY2022-23 to 9.8% in FY2023-24.
- Cost to income ratio excluding CGFMU expenses stood at 57.1% in FY2023-24 compared to 60.0% in FY2022-23.
- RoA was 2.1% in FY2023-24, compared to 0.9% in FY2022-23.
- RoE was 12.9% in FY2023-24, compared to 5.1% in FY2022-23.

Asset Quality

- Gross NPA ratio decreased to 2.8% as of March 31, 2024, from 3.1% as of March 31, 2023.
- Net NPA ratio decreased to 0.8% as of March 31, 2024, from 1.5% as of March 31, 2023.
- PCR (excluding technical write-offs) improved to 71.2% as of March 31, 2024, from 51.5% as of March 31, 2023.

Financial Review

Summary of Profit & Loss Statement

(Figures are in Crores)

Particulars	FY24	FY23	YoY
Interest Earned	1,588.7	1,183.7	34.2%
Interest Expended	626.5	437.1	43.3%
Net Interest Income	962.2	746.6	28.9%
Other Income	219.4	97.4	125.2%
Net Total Income	1,181.6	844.0	40.0%
Operating Expenses	675.1	506.5	33.3%
Employee Expense	360.8	242.4	48.9%
Other Expense	314.3	264.2	19.0%

(Figures are in Crores)

Particulars	FY24	FY23	YoY
Operating Profit Before CGFMU	506.5	337.5	50.1%
CGFMU Expense	52.6	0	N/A
Operating Profit After CGFMU	453.9	337.5	34.5%
Provisions and Contingencies*	166.3	236.6	-29.7%
Profit Before Tax	287.6	100.9	185.1%
Tax	71.6	23.2	209.2%
Profit After tax	216.0	77.7	178.0%

Income

The Bank's net total income increased by 40.0% year-on-year to Rs. 1,181.6 crores in FY2023-24 from Rs. 844.0 crores in FY2022-23. This was driven by a 34.2% growth in interest earned to Rs. 1,588.7 crores and a significant 125.2% increase in other income to Rs. 219.4 crores during the year.

Interest Earned

The Bank's interest earned increased by 34.2% year-on-year to Rs. 1,588.7 crores in FY2023-24, driven by the 41.5% growth in the loan book to Rs. 8,650 crores as of March 31, 2024. The growth in interest income was supported by an improvement in yield from 19.3% in FY2022-23 to 20.2% in FY2023-24.

Other Income

Other income, which includes fees, commissions, and other operating income, registered a significant increase of 125.2% over the previous year to Rs. 219.4 crores in FY2023-24. This was primarily due to higher processing fees earned on the growing disbursements.

Interest Expended

Interest expended increased by 43.3% year-on-year to Rs. 626.5 crores in FY2023-24, in line with the growth in interest-earning

assets and borrowings. The cost of funds increased from 6.7% in FY2022-23 to 7.3% in FY2023-24 due to the rising interest rate environment.

Operating Expenses

Operating expenses grew by 43.7% over the previous year to Rs. 675.1 crores in FY2023-24, driven by the expansion of the Bank's branch network and employee base to support business growth. The cost to income ratio (excluding CGFMU expenses) improved from 60.0% in FY2022-23 to 57.1% in FY2023-24, reflecting operating leverage benefits.

Provisions and Contingencies

Provisions and contingencies decreased by 29.7% year-on-year to Rs. 166.3 crores in FY2023-24, reflecting the Bank's prudent risk management practices and improved asset quality. The provision coverage ratio (excluding technical write-offs) improved significantly from 51.5% as of March 31, 2023, to 71.2% as of March 31, 2024.

Net Profit

The Bank's net profit increased by a substantial 178.0% year-on-year to Rs. 216.0 crores in FY2023-24, driven by robust growth in interest income, higher other income, and improved operating leverage.

Summary of Balance Sheet

(Figures are in Crores)

Particulars	FY24	FY23	YoY
Capital and Liabilities			
Shareholders' Funds	1,805.0	1,584.8	13.9%
Deposits	7,777.3	5,166.7	50.5%
Borrowings	2,443.0	2,765.4	-11.7%
Other Liabilities and Provisions	352.5	344.4	2.4%
Total	12,377.7	9,861.2	25.5%
Assets			
Fixed Assets	168.8	164.5	2.6%
Cash and Bank	1,180.1	833.1	41.6%
Investments	2,599.3	2,570.2	1.1%
Advances [^]	8,078.0	6,015.1	34.3%
Other Assets	351.6	278.4	26.3%
Total Assets	12,377.7	9,861.2	25.5%

[^]Net advances excluding IBPC and Provisions

Total Assets

The Bank's total assets stood at Rs. 12,377.7 crores as of March 31, 2024, an increase of 25.4% year-on-year from Rs. 9,861.2 crores as of March 31, 2023. This growth was driven by the expansion in the loan book and increased investments.



Advances

Net advances (excluding IBPC and provisions) were Rs. 8,078.0 crores as of March 31, 2024, reflecting a 34.3% increase year-on-year from Rs. 6,015.1 crores as of March 31, 2023. This growth was primarily due to higher disbursements across various loan segments.

As of March 31 (Rupees in Crore)	Fiscal Year	
	2024	2023
Cash credit, overdraft, and loan payable	164	182
Term Loan	7,914	5,833
Total	8,078	6,015

Advances comprise micro banking (JLG) loans, home loans, commercial vehicle loans, secured and unsecured business loans and financial intermediary group loans.

Fixed Assets

Fixed assets increased by 2.6% year-on-year to Rs. 168.8 crores as of March 31, 2024 from Rs. 164.5 crores as of March 31, 2023. This increase was due to the Bank's continued investment in expanding its branch network and upgrading its infrastructure.

Capital and Liabilities

The Bank's capital and liabilities stood at Rs. 12,377.7 crores as of March 31, 2024, as compared to 9,861.2 in FY23.

Summary of Key Financial Ratios

Particulars	FY24	FY23	YoY
Yield on Gross Loan Portfolio	20.2%	19.3%	88 bps
Cost of Deposits	7.6%	6.9%	76 bps
Cost of Funds	7.3%	6.7%	67 bps
NIM	9.8%	9.5%	34 bps
CASA Ratio	20.1%	17.1%	302 bps
GNPA Ratio	2.8%	3.1%	-30 bps
NNPA Ratio	0.8%	1.5%	-68 bps
Provision coverage Ratio (%)	71.2%	51.5%	+1,967 bps

Corporate Governance

The Bank's Board is firmly committed to maintaining the highest standards of corporate governance. The Board and the Bank management carries out a comprehensive review and evaluation of its principles for corporate governance and its implementation, as outlined in the Bank's Corporate Governance Policy.

This policy establishes a broad framework of governance through the Board of Directors and the various Board Committees. The committees deal with specific matters and the terms of reference of each Committee is well-defined.

As at March 31, 2024, there were nine (9) Committees of the Board as listed below

Sr. No.	Name of the Committee
1	Audit Committee of Board
2	Risk Management Committee of Board
3	Nomination and Remuneration Committee
4	Stakeholders' Relationship Committee
5	Corporate Social Responsibility Committee
6	IT Strategy Committee
7	Customer Service Committee
8	Credit Committee of Board
9	Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters (SCBF & RWD)

Human Resources

At Suryoday Small Finance Bank, we recognize that our greatest asset is our people. The Bank believes in fostering a growth centric approach towards building a smiling Suryoday Army. The Suryoday Army, one of the pillars contributing to the growth of the Bank, has been growing strong year-on-year to reach 7,440 as of March 31, 2024.

The Bank launched 6 "ROSHNI" branches – All women branch under in Tamil Nadu, Mumbai, Odisha and Karnataka. "ROSHNI" is a dedicated all-women's branch run by Women for addressing and fulfilling financial needs of our customers with a special focus on women clientele. This is aimed at creating a supportive and empowering banking environment, fostering gender inclusivity, enhancing customer experience, and promoting women's leadership in the financial sector.

Talent Valuation

We introduced industry-first long term highly rewarding program called "RISE" to empower employees in achieving their long-term goals. This takes the Bank a step further in enabling dreams.

We have gamified the target setting and achievement for the Retail Banking segment through our Suryoday Accelerator Programme (SAP) by introducing a balanced scorecard for the branches and employees. As the name suggests, it accelerates the growth trajectory of the high performing employees in the

form of increased frequency of salary revision and becoming part of an exclusively curated Learning & Development programme.

Talent Engagement

The bank regularly conducts town halls across its branches to engage with the employees. These town halls are platforms for the employees to connect with each other as well as put forth their ideas / suggestions / recommendations. The bank has also organized family trips for 223 front line officers who have displayed exceptional performance and have been a long-term Suryoday employee. The objective was to strengthen the team bond and provide a platform where colleagues got to know each other and unite them.

Talent Development

Investing in the continuous learning and development of our employees is fundamental to our success and integral to our mission of delivering exceptional service to our clients.

The Bank carried out various orientation sessions and skill enhancement workshops which covers areas such as compliance, risk management, customer service, technical skills and soft skills. Under our flagship program – Suryoday Aarambh, we have an immersive Induction Program for the Campus to Corporate hires.

In response to the evolving digital landscape, we have implemented e-learning platforms that provide flexible and accessible training opportunities. Employees can engage in self-paced learning modules, learning tiles and virtual classrooms, allowing them to enhance their skills at their convenience. In the year gone by, the Bank has trained more than 6,900 unique employees on various functional & soft skills.

At Suryoday Small Finance Bank, we will continue to prioritize learning and development, ensuring that our employees are well-equipped to meet the challenges of today and tomorrow, driving our bank towards a successful future.



Information Technology

Technology features as the backbone of the banking system. Given the pace at which digitisation has been taking place, the need for strong technology has become a necessity. Further, there is continuous change in the technology requiring the banks to adapt quickly to the new requirements.

The bank has in the previous year undertaken a significant project to migrate to a new Core Banking System (CBS) which was completed at a swift pace. The Bank has also invested and continues to invest in middleware solutions. Middleware allows the bank to unify access to various back-end systems in the form of an understandable and publicly available API. The CBS migration to Finacle and the investments in middleware have resulted in creating our own infrastructure to be agile to the needs of the bank. With the CBS and the middleware in place, the bank is geared to integrate third-party apps / customer interfaces and fintech's partners.

The end-objective of the digitisation is to smoothen the process in-turn enhancing the customer experience. In this regard, the bank has during the year, transformed the Inclusive Finance loan process to a completely end-to-end digital process, making it paperless, thereby ensuring limited manual intervention and better customer experience.

The Bank has also centralised the credit underwriting process coupled with local credit validation. This has become possible by ensuring that there is seamless transmission of data which ensures that the credit evaluation process is independent as well as with reduced TAT. The Bank has also tied-up with account aggregator thereby ensuring that the bank is able to undertake complete analysis on the customers' financial profile and banking.

The Bank has also developed in-house proprietary tools which enable verification of the government issued documents, thereby reducing the reliance on partners and other vendor apps.

The initiative in respect of "Loanaccountnumber@suryoday" which allows the customer to send funds directly to the loan account has started seeing significant traction. The proportion of our Vikas Loan customers who pay through digital means has increased and reached ~ 50%. This has been achieved by building simpler IT tools which enhances customer experience and continuous customer awareness.

Another key initiative was the digital deposits sourcing journey. The Bank has been able to source deposits digitally without the need for the customer to visit the branch. This represents the set of customers who are tech savvy and are comfortable in banking digitally. The digital deposits sourced on a daily basis is ~ Rs 2 Crore, demonstrating an additional channel for sourcing deposits. This complements the traditional bank branches which were the original deposit sourcing channels. This also provides the banks the opportunity to tap the said customers to provide holistic banking services.

The bank has also successfully implemented TIBCO, renowned in the industry for its excellence, which facilitates faster and more secure communication between our internal and external systems. Our approach has been forward-thinking, deploying a scalable API infrastructure with dedicated teams to ensure seamless integrations and ongoing support.

Given the impetus on data security, the bank has implemented Samsung Knox MDM solution as multi-layered defence mechanism to protect sensitive data and ensure device security. Knox includes features such as data encryption, secure boot, and real-time malware protection. It provides us a secure environment for running and managing applications, as well as advanced management tools for enterprise use. It also helps us to safeguard both personal and business data against various threats.

In our commitment to leveraging technology to enhance customer service and operational efficiency, the bank has successfully implemented the Genesys Auto Dialer. This implementation was launched alongside our Voice and ChatBot solutions, represents a significant advancement in our call centre operations, enabling more efficient and personalized customer interactions. This has resulted in reducing the load on the call centre. There are a host of services which are available in the ChatBot and which provide the customer ease of access to specific information.



Corporate Social Responsibility

The bank remains committed towards the holistic development of communities and creating sustainable impact through its CSR endeavours. During the financial year 2023-24, Suryodaya Foundation, the Bank's CSR implementation partner implemented six programmes, covering 61,802 beneficiaries across various focus areas such as education, healthcare and livelihood development.

In addition to it, the Bank also collaborated with Rotary Club of Chennai for a preventive dental care programme. This programme involved a mobile van visiting all Chennai Municipal Schools to provide dental check-ups and treatment to students. In FY 2023-24, a total of 38,529 students were covered under this three-year programme, which commenced in FY 2022-23.

Credit Rating

The latest ratings for the Bank by the ICRA stated that the subordinate debt programme was ICRA A (stable), reaffirmed. The certificate of deposit programme was ICRA (A+) reaffirmed and the certificate of deposit programme was ICRA A+, reaffirmed and withdrawn.

The Internal Controls

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

1. Business – functions on the laid down Policies and Processes approved at the appropriate level of authority.
2. Risk and Compliance – Monitors compliance with the laid down policies and processes as per the regulatory framework and the Bank's risk appetite.
3. Internal Audit – Overviews quality and effectiveness of the internal controls and their adherence by the first line of defence, their monitoring by the second line of defence. The internal audit process is based on the Risk based Audit approach prescribed by the regulator and duly approved by the Audit Committee of the Board.

All the internal control functions work independently as per regulatory guidelines and report to the Audit Committee of the Board or the Risk Management Committee of the Board as applicable.

Cautionary Statement

This report and other statements - written and oral - that the Bank periodically makes contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. The Bank has tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'will', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. The Bank cannot guarantee that these forward-looking statements will be realised, although we have attempted to be prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Readers should keep this in mind that in the event known or unknown risks or uncertainties materialise, or should underlying

assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. The Bank undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Risk Management:

Risk Management plays a crucial role in the Banks' strategic planning, ensuring proper collaboration and non-biased decision making. The ability of the risk management to manage multiple risk types while preparing for new regulations and complying with current ones, makes it a valuable addition to financial institutions.

Banks are exposed to various risks which broadly fall under one or more of the categories of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Information and Cyber Security Risk etc. The bank has adopted a structured approach for risk management to identify, assess, monitor, mitigate and manage risks through the effective use of people, processes, data and technology. The various modes by which Risk culture is promoted in the Bank are mandatory induction, refresher and Risk related workshops.

The Risk Management Committee of the Board ("RMCB") is the Board committee, which is responsible for identifying, assessing, mitigating risks. The Chief Risk Officer (CRO) of the Bank is in charge of the risk management functions under the oversight of the RMCB.

The bank has a robust framework for risk management in the form of regular review of products and processes by the Compliance team, periodic internal audit of processes and operations, regular review of risk policies and periodic reporting to the RMCB and the Board. Additionally, the Bank also has various Senior Management Level Risk Committees, such as Risk Management Committee of the Executives (RMCE), Asset Liability and Market Risk Committee (ALCO), Information Technology Strategy Committee (ITSC) and Information Security Steering Committee (ISSC).

A comprehensive market and liquidity risk dashboard is maintained by the Risk team, which comprises of all the relevant information related to investment portfolio, liquidity position, depositors and borrowing.

The Bank has put in place Risk and Control Self-Assessment (RCSA) for all functions/departments to identify inherent and residual risks. These tools also help identify the design and effectiveness of the controls introduced. The outcome of RCSA activities has helped provide insights into known and potential Operational Risk areas in various processes and business lines.

In this digital age, it is imperative that banks have robust Information Security protection mechanism in place. This is necessary, since the Banks deal with customer information and there is a need to ensure that the information is safe and protected. The Bank has put in place a robust risk management framework to identify, assess and manage information security risks and has made significant progress in enhancing its information security governance through monitoring. The Bank has also deployed a layered security defence to defend and protect information and assets. A Cyber security operation centre (CSOC) is in place which monitors alerts and anomalies 24x7 in the Bank's perimeter and internal network and systems

Corporate Governance Report

In accordance with the applicable provisions of the Companies Act, 2013 (the “Act”) and the Regulation 34(3) and Clause (C) of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), a Report on Corporate Governance for the Financial Year (“FY”) 2023-24 is presented below, and forms part of the Annual Report:

1. BANK’S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BANK’S GOVERNANCE STRUCTURE

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

The Board directs, supervises, and controls the management of the Bank and is responsible for the business including formulating the overall strategy and ensuring implementation thereof. The Managing Director & Chief Executive Officer (“**Managing Director & CEO**”) is responsible for the overall affairs of the Bank under the superintendence, guidance, and control of the Board. The Board has constituted various Committees to deal with specific matters as per applicable law in this regard and the terms of reference of each Committee is defined.

The Board has adopted a Code of Conduct for Directors and Senior Management Personnel (“SMPs”), and all the Directors and SMPs affirm their adherence to the Code on

an annual basis. Further, the Independent Directors also submit their annual declarations confirming that they fulfil the criteria of independence.

3. BOARD OF DIRECTORS

a) Composition of Board:

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

As of March 31, 2024, and as on the date of this report, the Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. As on March 31, 2024, the Board comprised of Seven (7) Directors, consisting of Five (5) Independent Directors including One (1) Woman Independent Director, One (1) Managing Director & CEO, and One (1) Non-Independent Non-Executive Director (“**Investor Director**”), representing to 71% Independent Directors and 29% Non-Independent Directors.

The Bank has appointed One (1) Whole-time Director (“**Executive Director**”) with effect from April 01, 2024 and One (1) Independent Director with effect from April 11, 2024. Thus, as on date of this Report, the total strength of the Board is Nine (9), consisting of Six (6) Independent Directors including One (1) Woman Independent Director, One (1) Managing Director & CEO, One (1) Executive Director and One (1) Investor Director, representing to 67% Independent Directors and 33% Non-Independent Directors. All the Board members are senior and experienced persons having the required knowledge, experience, relevant skill sets, track record and integrity, and all of them effectively meet the “fit and proper criteria” laid down by the RBI. Further, the changes in the composition of the Board of Directors that took place during FY 2023-24, were carried out in compliance of the provisions of the Act, BR Act, RBI Circulars and SEBI Listing Regulations, and details of appointment/ re-appointment of Directors during FY 2023-24, are covered in the Directors’ Report.

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

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

In case of appointment of new director, the concerned director is issued a Letter of Appointment setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program. The induction for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the branches of the Bank, etc. The terms of appointment of Independent Directors are uploaded in the website of the Bank at:

<https://www.suryodaybank.com/assets/pdf/policies/Independent-Directors-T&C.pdf>

Composition of the Board of Directors as on March 31, 2024*:

Sr. No.	Category	Name and DIN of the Director
1.	Independent Director(s)	(i) Mr. Krishna Prasad Nair, (DIN: 02611496) [Part-time Chairman] (ii) Mr. Mrutunjay Sahoo, (DIN: 00015715) (iii) Mr. Jyotin Mehta, (DIN: 00033518) (iv) Mr. John Arunkumar Diaz, (DIN: 00493304) (v) Mrs. Swati Datye, (DIN: 06751552)
2.	Non-Executive Non-Independent Director(s) (Investor Director)	(i) Mr. Ranjit Shah, (DIN: 00088405)
3.	Executive Director(s)	(i) Mr. Baskar Babu Ramachandran, (DIN: 02303132) [Managing Director & CEO]

* Post March 31, 2024 and as on the date of the Report:

- Mr. Hemant Premchand Shah (DIN: 10548728), has been appointed as Whole-time Director (designated as Executive Director and Key Managerial Personnel) of the Bank for a period of Three (3) years, w.e.f. April 01, 2024 to March 31, 2027 with the approval of RBI vide its Letter No. DoR.GOV.No.S6035/29.44.006/2023-24 dated January 18, 2024 and of the members of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024.
- Mr. Deepak Kumar Sharma (DIN: 10575402), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years w.e.f. April 11, 2024, to April 10, 2029, vide Special Resolution passed through Postal Ballot on July 08, 2024.

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

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

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

c) Brief Profile of the Board of Directors:

Mr. Krishna Prasad Nair [DIN: 02611496]

(Part-time Chairman with effect from November 01, 2023)

Mr. Krishna Prasad Nair is an Independent Director of the Bank w.e.f. July 22, 2021, for a period of Five (5) years to hold office upto July 21, 2026.

Mr. Nair has been appointed as a Non-Executive Part-time Chairman of the Bank with effect from November 01, 2023 to July 21, 2026 with the approval of RBI vide its Letter No. DoR.GOV.No.S4404/29.44.006/2023-24 dated November 01, 2023. Further the appointment of Mr. Nair as Non-Executive Part-time Chairman of the Bank has also noted by the members of the Bank by passing an Ordinary Resolution through Postal Ballot on April 28, 2024.

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

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

He does not hold any shares in the Bank as on March 31, 2024.

Mr. Mrutunjay Sahoo [DIN: 00015715]

Mr. Mrutunjay Sahoo is an Independent Director of the Bank w.e.f. September 22, 2016 to hold office for a period of Five (5) years upto September 21, 2021. He was re-appointed as an Independent Director for a further term of Three (3) years w.e.f. September 22, 2021 upto September 21, 2024 vide Special Resolution passed at Annual General Meeting held on September 20, 2021.

Mr. Sahoo is a retired IAS Officer and has several years of experience in public administration. Previously, he was a Special Chief Secretary to the Government of Andhra Pradesh and has been associated with several PSU's as a nominee director of the Government of India for Maharatna companies and non-official independent director of Government of India for a Miniratna company. He has also been associated with Transmission Corporation of Andhra Pradesh, Andhra Pradesh Power Finance Corporation and The Singareni Collieries Company Limited.

Mr. Sahoo is not a director in any other company.

He does not hold any shares in the Bank as on March 31, 2024.

Mr. Jyotin Mehta [DIN: 00033518]

Mr. Jyotin Mehta is on the Board of the Bank w.e.f. February 13, 2017. He was initially appointed as an Additional Director w.e.f. February 13, 2017 and subsequently appointed as an Independent Director for a period of Five (5) years to hold office upto August 30, 2022. He was re-appointed as an Independent Director for a further term of Three (3) years w.e.f. August 31, 2022 upto August 30, 2025 vide Special Resolution passed at the Annual General Meeting of the Bank held on August 26, 2022.

As reported earlier, in accordance with the provisions of BR Act, the tenure of total 8 years of Mr. Jyotin Mehta, as a Director on the Board of the Bank, would be completed on February 12, 2025, considering his original date of appointment on the Board of the Bank as February 13, 2017, accordingly, he would hold office as an Independent Director of the Bank upto February 12, 2025.

Mr. Mehta holds a Bachelor's Degree in Commerce and is a fellow member of the ICAI, ICSI and ICMAI. He has over 40 years of experience in corporate laws. Previously, he was associated with ICICI Bank as a General Manager & Company Secretary, 3i Infotech Limited as Senior General Manager, Voltas Limited as VP & Chief Internal Auditor, Bharat Shell Limited as the VP-Finance & Company Secretary and NOCIL Limited as Head of project finance.

Mr. Mehta is Independent Director on the Board of Westlife Foodworld Limited, Linde India Limited and Amal Limited (Listed Companies), Mahindra Rural Housing Finance Limited, ICICI Prudential Pension Funds Management Company Limited, ICICI Prudential Trust Limited, Ind Aust Maritime Private Limited, Mahindra Insurance Brokers Limited and Otis Elevator Co (India)Ltd (Unlisted public limited companies). He is a member of the following committees in the aforesaid companies:

(i) Westlife Foodworld Limited

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

(ii) Linde India Limited

- Audit Committee (Chairperson)
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

(iii) Amal Limited

- Corporate Social Responsibility Committee (Chairperson)
- Audit Committee

(iv) Mahindra Rural Housing Finance Limited

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

(v) ICICI Prudential Pension Funds Management Company Limited

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

(vi) ICICI Prudential Trust Limited

- Audit Committee
- Risk Management Committee

(vii) Mahindra Insurance Brokers Limited

- Audit Committee (Chairperson)
- Nomination & Remuneration Committee

(viii) Otis Elevator Co (India) Ltd

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination & Remuneration Committee

Mr. Jyotin Mehta does not hold any shares in the Bank as on March 31, 2024.

Mr. John Arunkumar Diaz [DIN: 00493304]

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

He holds a Bachelor's Degree in Mathematics from University of Madras and a PGDBM from XLRI, Jamshedpur. He has over 28 years of experience in Standard Chartered Bank, based in India and overseas, where he was head of programme & change management. Additionally, he has

over 18 years of experience as a consultant in banking services for several international institutions, including in Indonesia, Thailand and Mauritius by way of his association with Quest OntheFRONTIER, Bain & Company SE Asia and iCube Consortium. Further, he has also been on the boards of companies in the venture capital, horticulture and agriculture sectors, an ATM manufacturer and in two companies in the primary and secondary healthcare sector which he had promoted.

Mr. Diaz is not a director in any other listed company. He is director on the Board of several private limited companies viz, Old Bridge Mutual Fund Trustee, Synergy Health and Medical, Aavishkaar Venture Trustees, Jeevanti Healthcare, Lynx Healthplus Services, Collateral Medical, Synergy Relationship Management Services, Microfinance Singapore and is an advisor to Aavishkaar Capital and Nominee Director on the Board of Connect India E-Commerce Services. Also, he is Director on the Board of Arohan Financial Services Limited (Unlisted Company).

He is a member of the following committees in the Arohan Financial Services Limited:

- Stakeholders Relationship Committee (Chairperson)
- Audit Committee
- Information Technology Strategy Committee
- Risk Management Committee

Mr. Diaz holds 22,000 Equity Shares in the Bank as on March 31, 2024.

Mrs. Swati Datye [DIN: 06751552]

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

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

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

Mrs. Datye started her career with Indian Hotels (Taj Group) fresh out of campus and led the HR function at the Taj Air Caterers for 3 years. She pursued her BA (Economics) from D G Ruparel College, Mumbai University and her MBA

(HR) from NMIMS. An active HR professional, she was the General Secretary of the Mumbai Chapter of National HRD Network in 2009-2011.

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

She does not hold any shares in the Bank as on March 31, 2024.

Mr. Deepak Kumar Sharma [DIN: 10575402]

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

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

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

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

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

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

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

Mr. Sharma is not a director in any other company.

He does not hold any shares in the Bank as on March 31, 2024.

Mr. Ranjit Shah [DIN: 00088405]

Mr. Ranjit Shah is an Investor Director of the Bank w.e.f. November 2, 2018. He was re-appointed at the 15th AGM of the Bank held on September 14, 2023, and eligible to offer himself for reappointment as Non-Executive Non-Independent Investor Director of the Bank, liable to retire by rotation.

He is a Co-founder and Managing Partner of Gaja Capital. He holds a Bachelor's Degree in Electrical Engineering from IIT, Bombay and an MBA from the University of Michigan. He has over 43 years of experience including 19 years in private equity and the rest in the telecom/technology sector and in financial services and management consulting.

Mr. Shah is not a director in any other listed or public limited company. He is a director on the Board of private limited companies namely Gaja Alternative Asset Management (as Whole-time Director), Thyssenkrupp Uhde India (Formerly known as Thyssenkrupp Industrial Solutions), Kinara Capita and Rams Mercantile.

Mr. Shah does not hold any shares in the Bank in his personal capacity as on March 31, 2024.

Mr. Baskar Babu Ramachandran [DIN: 02303132]

Mr. Baskar Babu Ramachandran is the Managing Director & CEO of the Bank w.e.f. January 23, 2017. He promoted Suryoday Micro Finance Private Limited in 2008 and was the Managing Director of the Company which got converted into the Bank in January 2017. He was re-appointed for a period of Three (3) years with effect from January 23, 2020 to January 22, 2023 with the approval of the RBI and the members of the Bank vide Special Resolution passed at the Extra Ordinary General Meeting held on July 27, 2020.

Mr. Baskar Babu Ramachandran was re-appointed as Managing Director & CEO for further period of Three (3) years with effect from January 23, 2023 to January 22, 2026 with the approval of the RBI and of the members

of the Bank vide Special Resolution passed at the 14th Annual General Meeting held on August 26, 2022.

He holds a Bachelor's Degree in Mechanical Engineering from the University of Madras and an MBA from Pondicherry University. He has participated in the management development program for strategic management for corporate leadership at IIM – Calcutta. He has several years of experience in the banking and finance sector. Prior to co-founding Suryoday Micro Finance Private Limited, he was associated with various companies including GE Capital Transportation Financial Services, HDFC Bank and Cholamandalam.

Mr. Baskar Babu Ramachandran is not a director in any other listed or public limited company. But he is on the Board of Director of Indian Institute of Banking and Finance.

Mr. Baskar Babu Ramachandran holds 53,51,911 Equity shares in the Bank as on March 31, 2024.

Mr. Hemant Premchand Shah [DIN: 10548728]

Mr. Hemant Premchand Shah is appointed as Whole-time Director (designated as **"Executive Director"** and Key Managerial Personnel of the Bank) for a period of Three (3) years, commencing from the date of his taking charge i.e. April 01, 2024 to March 31, 2027 with the approval of the RBI vide its Letter No. DoR.GOV.No.S6035/29.44.006/2023-24 dated January 18, 2024 read with Letter No. DoR.GOV.No.S7134/29.44.006/2023-24, dated March 11, 2024 and subsequently by members of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024.

Mr. Shah is a seasoned banker with over 35 years of experience in banking & financial companies, of which he has the last 28 years of exceptional experience with Kotak Bank. In his career, he has administered Banking Operations, Risk Portfolio, Business Solutions Group and Governance Functions.

He has a proven track record of demonstrating the ability to formulate and execute strategic support service functions aligned with the organisation's vision and mission. In his last stint with Kotak Bank, he handled Retail Operations, Compliance, Data Management, Risk Management, Business Solutions for Retail Banking System, and Large Project Management (including integration with ING VVSYA Bank). Before Kotak Bank, he served in various roles with TATA Motors Finance and Gruh Finance.

By qualification, he has a Bachelor of Commerce and completed various Executive Education programmes from ISB Hyderabad & IIM Ahmedabad.

d) Board Meetings, Attendance and Committee membership

The Board and Committee meetings are convened at regular intervals to deliberate on matters of strategic and financial importance. The Agenda of the Board covers Seven (7) critical themes, including Business Strategy, Financial Reports and their Integrity, Risk, Compliance, Customer Protection, Financial Inclusion and Human Resources in accordance with RBI Circular

No. RBI/2014-15/592 DBR No.BC.93/29.67.001/2014-15 dated May 14, 2015.

The Annual Calendar of meetings of the Board and Board's Committees is decided well in advance to ensure Board members availability and effective participation in the Board and Committee meetings and meetings at short notice are convened only in case of urgency of matters or if permissible, seeks approval through circulation of the Resolution alongwith detailed Notes and supporting documents. The Agenda Notes and relevant presentations for the meetings are sent well in advance. After conclusion of the meetings, the Directions of the Board and Board Committees and significant decisions taken at the Board and Committees are tracked till their closure and reported to the Board and respective Committees in the form of Action Taken Report at their subsequent meetings. Further, the draft Minutes are circulated to the Board and respective Board Committees for their review and confirmation and placed at the next meeting for noting and signature of the respective Chairpersons.

The Company Secretary is responsible for convening the Board and Board Level Committee Meetings, preparation

and distribution of Agenda and other relevant documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and grievance aspects.

The Business and other functional Heads of the Bank make presentations on various Agenda items, portfolios and key products of the Bank.

During the year under review, Ten (10) Board meetings were held on April 17, 2023, May 15, 2023, June 20, 2023, July 26, 2023, August 10, 2023, September 21, 2023, November 9, 2023, January 24, 2024, February 8, 2024 and March 21 & 22, 2024 (Commenced on March 21, 2024 and concluded on March 22, 2024). The gap between any two meetings did not exceed one hundred and twenty days.

Details of attendance of Directors at Board Meetings held during the Financial Year 2023-24 and at the last Annual General Meeting ("AGM") and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2024, are given below:

Name of the Director and Category	No. of Board meetings attended/ held during their tenure	Attendance at last AGM (September 14, 2023)	No. of directorships in other Public Companies (Refer Note)	No. of Committee positions held in other Public Companies (Refer Notes)		Directorship in other Listed Entity and Category
				Chairperson	Member	
Mr. R. Ramachandran ¹ Part-time Chairman and Independent Director (upto September 23, 2023)	6/6	Yes	-	-	-	-
Mr. Krishna Prasad Nair ² Part-time Chairman and Independent Director (w.e.f. November 01, 2023)	6/6	Yes	-	-	-	-
Mr. Mrutunjay Sahoo Independent Director	10/10	Yes	-	-	-	-
Mr. Jyotin Mehta Independent Director	10/10	Yes	7	3	7	Westlife Foodworld Limited- Independent Director Linde India Limited- Independent Director Amal Limited- Independent Director
Mr. John Arunkumar Diaz Independent Director	10/10	Yes	1	1	2	
Dr. Mandeep Maitra ³ Independent Director (upto January 30, 2024)	7/8	Yes	-	-	-	-
Mrs. Swati Datye ⁴ Independent Director (w.e.f. February 01, 2024)	2/2	NA	-	-	-	-
Mr. Ranjit Shah ⁵ Investor Director	9/10	Yes	-	-	-	-
Mr. Baskar Babu Ramachandran Managing Director and CEO	10/10	Yes	-	-	-	-

- ¹ Mr. R. Ramachandran (DIN: 01953653), Non-Executive Independent Director and Part-time Chairman of the Bank, who was re-appointed with the approval from the RBI for a period upto September 23, 2023, retired from the position of the Independent Director and Part-time Chairman of the Bank, on close of business hours on September 23, 2023, on completion of his second term of Office as an Independent Director of the Bank.
- ² Mr. Krishna Prasad Nair (DIN: 02611496), Independent Director, was appointed as a Non-Executive Part-time Chairman of the Bank with effect from November 01, 2023 to July 21, 2026 with the approval of RBI vide its Letter No. DoR.GOV.No.S4404/29.44.006/2023-24 dated November 01, 2023. Further the appointment of Mr. Nair as Non-Executive Part-time Chairman of the Bank was noted by the members of the Bank by an Ordinary Resolution approved through Postal Ballot on April 28, 2024.
- ³ Dr. Mandeep Maitra (DIN: 06937451), has resigned from the position of an Independent Director of the Bank w.e.f. January 31, 2024, due to her commitment to other work assignments and prioritizing the family's well-being. Further, the Bank has received confirmation from Dr. Mandeep Maitra that there are no material reasons for her resignation from the position of an Independent Director of the Bank.
- ⁴ Mrs. Swati Datye (DIN: 06751552), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) consecutive years w.e.f. February 01, 2024, to January 31, 2029, vide Special Resolution passed through Postal Ballot on April 28, 2024.
- ⁵ Mr. Ranjit Shah (DIN: 00088405), Investor Director, was re-appointed at the 15th AGM held on September 14, 2023, liable to retire by rotation.

Other Notes:

- On request, leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings;
- Other directorships do not include directorships in private limited companies, foreign companies, and companies under Section 8 of the Act. Chairmanships/ memberships of Board Committees shall include Audit Committee of Board ("**ACB**") and Stakeholders Relationship Committee ("**SRC**") only in other Public Limited Companies;
- None of the Directors on the Board hold directorship in more than 10 Public Limited Companies and not exceeding 20 companies in compliance with the provisions of the Companies Act, 2013;
- None of the Directors on the Board are member of more than 10 Committees (ACB and SRC) or acted as a chairman of more than 5 Committees (ACB and SRC) across Public Limited Companies in which they hold directorship;
- None of the Directors on the Board serves as a Director on more than 7 Listed Companies;
- No inter se relationship exists between the Directors of the Bank.

e) Number of shares held by Non-Executive Directors:

The details of Shareholding of Non-Executive Directors as on March 31, 2024, is as under:

Name of Director	Total Number of Shares held in the Bank as on March 31, 2024
Mr. Krishna Prasad Nair, (Part-time Chairman and Independent Director)	Nil
Mr. Mrutunjay Sahoo, (Independent Director)	Nil
Mr. Jyotin Mehta, (Independent Director)	Nil
Mr. John Arunkumar Diaz, (Independent Director)	22,000
Mrs. Swati Datye, (Independent Director)	Nil
Mr. Ranjit Shah, (Investor Director)	Nil

Note: Mr. Deepak Kumar Sharma, has been appointed as an Independent Director with effect from April 11, 2024, and he does not hold any share in the Bank as on the date of the Report.

The Bank does not have any convertible instruments. Accordingly, none of the Non-Executive Director of the Bank hold any convertible instrument of the Bank as on March 31, 2024.

The meetings of the Board/ Committees of the Board are convened by giving appropriate Notice. All members of the Board and Committees thereof strive to attend all Board/Committee meetings, as applicable. In case any member is unable to attend any meeting and

requests leave of absence, the same is considered by the Board/ Committees.

Necessary compliance pursuant to circulars issued by Ministry of Corporate Affairs and SEBI were ensured for the Board/ Committee meetings held through video conferencing mode ("**VC**"). The Board members attending the meetings through VC confirmed that no other person was present or having access to the VC and also confirmed that audio / video was clearly audible and visible to them.

The important decisions taken at the Board/Committee meetings are communicated to the respective department heads for the implementation of the said decisions. An Action Taken Report arising out of the discussions at earlier meetings is prepared and placed at the subsequent Board meeting/respective Committee meeting.

The Board is regularly apprised and informed of important business-related information. The Board meeting dates are finalised in consultation with all the Directors in advance. However, whenever required, additional meetings are held. Further, the agenda papers supported by comprehensive notes and relevant information, documents and presentations are circulated in advance to all the Board members which enable them to take informed decisions and discharge their functions effectively. The Agenda for the Board meetings covers the necessary information to be placed before the Board of Directors as per Regulation 17(7) of the SEBI Listing Regulations read with Part A of Schedule II thereto to the extent these are relevant and applicable. The Board reviews the items in the agenda and particularly reviews and approves the Financial Results, Annual Financial Statements, Annual Operating Plans & Budgets. The compliance reports pertaining to all laws applicable to the Bank are placed before the Board on

quarterly basis and minutes of Committee meetings are placed before the Board of the Bank periodically.

4. COMMITTEES OF THE BOARD

The Board has constituted several Board Committees to deal with specific matters and the terms of reference of each Committee are defined.

As of March 31, 2024, there were Nine (9) Committees of the Board as enlisted below:

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

(i) Audit Committee:

The Bank has constituted the Audit Committee of the Board ("ACB") in line with the provisions of Section 177 of the Act, applicable RBI Guidelines and Regulation 18 of the SEBI Listing Regulations. During the year under review, the Committee was reconstituted on November 10, 2023. The Composition of the ACB as on March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Jyotin Mehta, <i>Independent Director</i>	Chairperson
2	Mr. Mrutunjay Sahoo, <i>Independent Director</i>	Member
3	Mr. Krishna Prasad Nair, <i>Independent Director*</i> (upto October 31, 2023)	Member
4	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
5	Mr. Ranjit Shah, <i>Investor Director</i>	Member

The RBI vide its Letter No. DoR.GOV.No.S4404/29.44.006/2023-24 dated November 01, 2023, had granted approval for the appointment of Mr. Krishna Prasad Nair (DIN: 02611496), Independent Director, as Non- Executive Part-time Chairman of the Bank, effective from November 01, 2023 to July 21, 2026. Taking into consideration the RBI's circular dated April 26, 2021, which provides that the Chair of the Board should not be a member of the ACB, accordingly, Mr. Krishna Prasad Nair, has stepped out from the ACB w.e.f. November 01, 2023.

The Company Secretary of the Bank acts as the secretary of this Committee.

The Managing Director & CEO, the Executive Director, the Chief Financial Officer, the Chief Compliance Officer, the Chief Audit Officer, the Chief of Internal Vigilance and Statutory Auditors are invited for the ACB meetings.

The scope and functions of the ACB are governed by the Board approved ACB Charter which is drawn up in line with the requirements of the relevant provisions of the Act, SEBI Listing Regulations, and the RBI guidelines in this regard.

The terms of reference of the Audit Committee are as under:

- 1) Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true, fair, sufficient and credible.
- 2) Review the appropriateness, application and quality of the accounting policies and practices and the financial reporting process.
- 3) Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Bank and approval of appointment of Chief Financial Officer and Chief Audit Officer after assessing the qualifications, experience and background, etc. of the candidate. And to approve the appointment/re-appointment (including terms of appointment/ re-appointment) of the Concurrent Auditors and Legal Auditors.
- 4) Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 5) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- 6) Reviewing, with the management, performance of statutory, secretarial and internal auditors and adequacy of the internal controls system.
- 7) Monitoring the end use of funds raised through public offers and related matters.
- 8) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- 9) To review valuation of undertakings or assets of the Bank, wherever necessary.
- 10) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 11) To establish a vigil mechanism (whistle blower mechanism) for Directors and employees to report their genuine concerns or grievances and reviewing the Whistleblower policy and mechanism periodically.
- 12) To approve transactions of the Bank with related parties as per the provisions of the Policy for Related Party Transactions of the Bank and review significant transactions and matters related thereto; Grant of omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as prescribed and as amended from time to time.
- 13) To review and monitor the internal audit charter and annual internal audit plan.
- 14) Approve, review and monitor the Risk Based Internal Audit Plan.
- 15) Review with the Chief Audit Officer the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- 16) To review with Internal Auditors on any significant findings in the internal audit reports to the management and ensure that corrective actions are being taken in a timely manner.
- 17) To review the Internal Audit reports relating to internal control weaknesses.
- 18) To review the findings of any internal investigations by the Internal Auditors/Vigilance department into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
- 19) To review the adequacy of internal audit function, if any, its policies including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 20) To periodically consult with the Statutory Auditors if required without the presence of management about internal controls and fair presentation of financial statements in accordance with accounting principles generally accepted in India, applicable regulatory requirements, and provisions of Companies Act, 2013.
- 21) To discuss and ascertain from the Statutory Auditors post completion of the audit, areas of concern, if any.
- 22) To review management letters / letters of internal control weaknesses issued by the Statutory Auditor.
- 23) To provide a right to be heard to the Statutory Auditors and the key management personnel in the meetings of the Audit Committee when it considers the auditor's report but not the right to vote.
- 24) To ensure that any concerns raised by the Statutory Auditors are addressed by the management and bring any unaddressed concerns to the notice of the management and/or Board.
- 25) To study the issues raised by Statutory Auditors and raise appropriate flags to the management in case of repeated issues.
- 26) Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- 27) To ensure that IS audit of internal systems and processes is conducted at least once in a year to assess the operational risks faced by the Bank.
- 28) Review the implementation and effectiveness of the financial and Risk Management policies and processes and highlight any gaps observed to the Board.
- 29) Review and analyse various regulatory inspection and audit reports to identify inconsistencies and understand the Bank's action plan to mitigate the same.
- 30) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- 31) Review the findings of any examinations by regulatory agencies, and auditor observations.
- 32) Review the process for communicating the code of conduct to Bank personnel, and for monitoring compliance therewith.
- 33) Obtain regular updates from management regarding compliance matters.
- 34) a) Review with the management, the annual financial statements and auditors' report thereon before submission to the board for approval with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report, in terms of the Companies Act, 2013;
 - ii. Changes, if any, in the accounting policies and practices, with reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;

- v. Compliance with listing and other legal and regulatory requirements relating to financial statements;
 - vi. Disclosure of related party transactions;
 - vii. Qualifications and Modified opinions in the draft audit report;
- b) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- c) Review of the financial statement and auditors' report thereon;
- 35) Audit Committee shall mandatorily review:
- a. management discussion and analysis of financial condition and results of operations;
 - b. statement of significant related party transactions submitted by management;
 - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. internal audit reports;
 - e. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the ACB; and
 - f. statement of deviations as and when becomes applicable:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"); and
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the Listing Regulations.
- 36) With respect to Inspection reports of the Inspecting team of Reserve Bank of India or any other regulator, approve action plans for corrective actions to be taken and monitor compliance thereof and review compliance in respect of the Annual Financial Inspection conducted by RBI on ongoing basis till the Bank furnishes full compliance. ACB should closely monitor persisting deficiencies pointed out in RBI Inspection Reports.
- 37) Reviewing processes, accounting practices and their implementation and also to perform any other activities, as the ACB or the Board deems necessary or appropriate.

(i) Meetings of ACB:

During the year under review, the ACB met Eleven (11) times on May 15, 2023, June 16, 2023, July 26, 2023, August 10, 2023, September 12, 2023, September 21, 2023, October 27, 2023, November 9, 2023, January 23, 2024, February 8, 2024, and March 15, 2024.

The details of the meetings of ACB attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Jyotin Mehta	11	11
Mr. Mrutunjay Sahoo	11	11
Mr. John Arunkumar Diaz	11	11
Mr. Ranjit Shah	11	7
Mr. Krishna Prasad Nair <i>(upto October 31, 2023)</i>	7	7

(ii) Nomination and Remuneration Committee:

The Bank has constituted the Nomination and Remuneration Committee ("NRC") in line with the provisions of Section 178 of the Act, applicable RBI Guidelines and Regulation 19 of the SEBI Listing Regulations and the Circulars issued by RBI in this regard, from time to time, which, inter alia, deals with the matters relating to appointments on the Board and Senior Management, performance appraisal and compensation related matters of the Bank.

The NRC evaluates fit and proper criteria of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal, and specifies the manner for effective evaluation of the performance of the Board, Board's Committees and individual Directors. The NRC formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees of the Bank. Criteria for performance evaluation for Independent Directors are provided in the Board's Report.

During the year under review, the Committee was reconstituted on November 10, 2023 and February 01, 2024. The Composition of NRC as on March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Mrutunjay Sahoo, <i>Independent Director</i>	Chairperson
2	Mr. R. Ramachandran, <i>Independent Director</i> <i>(upto September 23, 2023)</i>	Member

Sr. No.	Name of Members	Designation
3	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
4	Mr. Krishna Prasad Nair, <i>Independent Director</i>	Member
5	Dr. Mandeep Maitra, <i>Independent Director (upto January 30, 2024)</i>	Member
6	Mr. Ranjit Shah, <i>Investor Director</i>	Member
7	Mrs. Swati Datye, <i>Independent Director* (w.e.f. February 01, 2024)</i>	Member

**The Committee was last reconstituted on February 01, 2024, wherein Mrs. Swati Datye was inducted as additional member of the Committee.*

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Evaluate the mix of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of independent directors and other directors.
2. Formulating the criteria for determining qualifications, industry knowledge, skill sets, experience, positive attributes, and independence of a director and to recommend to the Board of Directors a policy, relating to the appointment / re-appointment of the directors.
3. The person recommended to the Board for appointment as a director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:

- a) use the services of an external agency, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
4. Formulating the criteria for remuneration payable to the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Bank and to recommend to the Board of Directors a policy in this regard.

The Committee, while formulating the above policy shall generally ensure that the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate managerial talent, meets appropriate performance benchmarks and involves a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the Bank.

The Committee shall also ensure that the above policy is fully compliant with the statutory and regulatory guidelines issued from time to time on compensation to Key Management Personnel (KMP); Whole Time Directors (WTD); Chief Executive Officer (CEO); Material Risk Takers (MRT) and Risk Control Function Staff (RCS).

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down under applicable provisions and policies of the Bank and recommend to the Board of Directors, the appointment / re-appointment or removal thereof. In the case of appointment / re-appointment of directors, the Committee shall ensure that the persons identified adhere to the 'fit and proper' guidelines issued by RBI, the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and other applicable provisions of the BR Act in this regard.
6. Formulating /reviewing the criteria for evaluation of performance of all the directors and specifying the manner for effective evaluation of performance of the Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
7. Recommending extension to the terms of appointment of the Independent Directors, on the basis of the report of performance evaluation of independent directors.
8. Reviewing the "fit and proper" status of all the Directors on the Board of the Bank, on an annual basis, in accordance with the statutory and regulatory guidelines in force.
9. Devising a policy on diversity of Board of Directors and accordingly to review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in the composition of the Board as deemed necessary in accordance with the extant norms and reviewing the policy on diversity of Board of Directors.
10. Recommending to the Board, all remuneration, in whatever form, payable to KMP, WTD, CEO, MRT and RCS.
11. Recommending to the Board of Directors a policy on succession planning for the board and senior management and overseeing and reviewing the succession plans from time to time.
12. Advising HR related policies and thereafter reviewing the same on periodical basis.
13. To review the list of MRT, RCS and other categories of employees in accordance with extant guidelines.

14. Administering, monitoring, and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Bank and to consider grant of Stock Options or other share linked instruments (by whatever name called) to employees of the Bank and to function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and to allot shares pursuant to exercise of Stock Options by employees.
15. Reviewing the composition of the existing Committees of the Board on annual basis and to recommend to the Board the changes in the composition of the existing Committees, if any, and also to recommend to the Board constitution of the new Committees, as and when required, considering the regulatory and / or business requirements of the Bank.
16. Carrying out any other function as is mandated by the Board from time to time and /or enforced/ mandated by any statutory notification, amendment or modification, as may be applicable; and
17. Performing such other functions as may be necessary or appropriate for the performance of its duties pursuant to the applicable Laws / Regulations / Rules thereunder.

Meetings of NRC:

During the year under review, the Committee met Ten (10) times on May 10, 2023, May 15, 2023, May 22, 2023, June 19, 2023, July 25, 2023, August 09, 2023, September 21, 2023, November 08, 2023, January 24, 2024, and March 14, 2024.

The details of the meetings of NRC attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Mrutunjay Sahoo	10	10
Mr. R. Ramachandran <i>(upto September 23, 2023)</i>	7	7
Mr. John Arunkumar Diaz	10	10
Mr. Krishna Prasad Nair	10	10
Dr. Mandeep Maitra <i>(upto January 30, 2024)</i>	9	9
Mr. Ranjit Shah	10	7
Mrs. Swati Datye <i>(w.e.f. February 01, 2024)</i>	1	1

(iii) Corporate Social Responsibility & ESG Committee (formerly known as Corporate Social Responsibility Committee):

The Bank has constituted the Corporate Social Responsibility ("CSR") Committee in line with the provisions of Section 135 of the Act. The name of the Committee was changed from "Corporate Social Responsibility Committee" to "Corporate Social Responsibility & ESG Committee" ("CSR & ESG") w.e.f. May 06, 2024. During the year under review, the Committee was reconstituted on November 10,

2023, and February 01, 2024. The Composition of CSR & ESG as of March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Dr. Mandeep Maitra, <i>Independent Director (upto January 30, 2024)</i>	Chairperson
2	Mr. R. Ramachandran, <i>Part-time Chairperson and Independent Director (upto September 23, 2023)</i>	Member
3	Mrs. Swati Datye, <i>Independent Director (w.e.f. February 01, 2024)</i>	Chairperson
4	Mr. Mrutunjay Sahoo, <i>Independent Director</i>	Member
5	Mr. Baskar Babu Ramachandran <i>Managing Director & CEO</i>	Member

The Committee was last reconstituted on May 06, 2024, wherein Mr. Jyotin Mehta and Mr. Deepak Kumar Sharma were inducted as additional members of the Committee.

The terms of reference Corporate Social Responsibility & ESG Committee are as under:

A. CORPORATE SOCIAL RESPONSIBILITY (CSR)

- 1) To Review and recommend to the Board, changes, as and when required, in the Corporate Social Responsibility Policy of the Bank, which shall indicate the activities to be undertaken by the Bank as specified in Schedule VII of the Companies Act, 2013, and Rules made thereunder, as amended from time-to-time;
- 2) To recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy to the Board in accordance with the provisions of the Companies Act, 2013 and rules made thereunder;
- 3) To monitor the implementation of CSR objectives of the Bank;
- 4) To monitor and oversee the CSR spend on various projects/activities on periodical basis;
- 5) To formulate and recommend to the Board:
 - a) An annual action plan and status of fund utilisation, whenever required;
 - b) Details of need and impact assessment, if any, for the projects undertaken by the Bank and appoint the agency for carrying out impact assessment, as and when required;
 - c) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - d) The manner of execution of such projects or programmes as specified;

- e) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - f) Monitoring and reporting mechanism for the projects or programmes; whenever required in pursuance of Corporate Social Responsibility Policy.
- 6) To consider and recommend the Annual CSR Report to the Board for approval;
 - 7) To report and communicate to the Bank's stakeholders on the CSR activities being undertaken by the Bank for their awareness;
 - 8) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

B. ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

1. To monitor the Bank's ESG Framework, Objectives, Policies and Disclosure requirements and to make recommendation to the Board on the Bank's overall ESG Strategy and its implementation.
2. To provide guidance and recommendations on the integration of ESG considerations into the Bank's business, in line with the applicable regulatory provisions.
3. To oversee and review the Bank's governance frameworks and practices to monitor, assess and mitigate ESG related risks and climate risks.
4. To review the Bank's efforts towards capitalizing ESG related opportunities.

Meetings of CSR & ESG Committee:

During the year under review, the CSR & ESG Committee met Three (3) times on May 10, 2023, September 04, 2023 and January 24, 2024.

The details of the meetings of the CSR & ESG Committee attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Dr. Mandeep Maitra (upto January 31, 2024)	3	3
Mr. R. Ramachandran (upto September 23, 2023)	2	2
Mr. Mrutunjay Sahoo	3	3
Mrs. Swati Datye (w.e.f. February 01, 2024)	0	0
Mr. Baskar Babu Ramachandran	3	3

The CSR Policy of the Bank has been uploaded on the website of the Bank at https://www.suryodaybank.com/assets/pdf/policies/Suryoday_CSR_Policy_FY23_24_2_0.pdf

(iv) Risk Management Committee:

The Bank has constituted the Risk Management Committee of the Board ("RMCB") in line with the provisions of applicable RBI guidelines, SEBI Listing Regulations and other applicable provisions.

During the year under review, the Committee was reconstituted on November 10, 2023. The Composition of RMCB as of March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Chairperson
2	Mr. R. Ramachandran, <i>Part-time Chairperson and Independent Director (upto September 23, 2023)</i>	Member
3	Mr. Jyotin Mehta, <i>Independent Director</i>	Member
4	Mr. Krishna Prasad Nair, <i>Independent Director (w.e.f. November 10, 2023)</i>	Member
5	Mr. Baskar Babu Ramachandran <i>Manging Director & CEO</i>	Member

The Committee was last reconstituted on May 06, 2024, wherein Mr. Deepak Kumar Sharma and Mr. Hemant Shah were inducted as additional members of the Committee.

The Chief Risk Officer ("CRO") reports to the Managing Director & CEO of the Bank. The CRO is independent of the business lines and is actively involved in key decision-making processes that impact the risk profile of the Bank. The CRO also meets the members of the RMCB without the present of the Managing Director & CEO and Executive Director of the Bank.

The terms of reference of the Risk Management Committee of the Board are as under:

- 1) Formulation of a detailed Risk Management Policies which shall include:
 - a. framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability, information security, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business Continuity Plan (BCP).
- 2) To frame and govern the risk strategy, and to approve the setting up of Bank's risk appetite and limits and to ensure that appropriate methodology, processes and

systems are in place to monitor and evaluate risks associated with the business of the Bank.

- 3) To review all Board approved policies of the Bank from time to time which are routed through functional Committees of the Board after review and recommendation.
- 4) To evaluate and establish a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk, strategic risk, compliance risk, reputation risk, exit strategic risk, information security and access risk, cyber security risk, attrition risk etc. to mitigate any risk arising therefrom.
- 5) To review, approve and recommend to the Board, risk management policies, systems, processes, and risk management framework periodically, including by considering the changing industry dynamics and evolving complexity.
- 6) To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
- 7) To conduct the Meeting of Chief Risk Officer with the Committee in accordance with RBI Circular No.DBR. BPBC.No.65/21.04.103/2016-17 dated April 27, 2017.
- 8) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of RMCB:

During the year under review, the RMCB met Seven (7) times on May 9, 2023, June 15, 2023, August 18, 2023, September 5, 2023, November 24, 2023, February 27, 2024, and March 14, 2024.

The details of the meetings of RMCB attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. John Arunkumar Diaz	7	7
Mr. R. Ramachandran (upto September 23, 2023)	4	4
Mr. Jyotin Mehta	7	7
Mr. Krishna Prasad Nair (w.e.f. November 10, 2023)	3	3
Mr. Baskar Babu Ramachandran	7	7

(v) Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters (SCBF & RWD):

The Bank has constituted the Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters (“SCBF & RWD”) in line with the provisions of applicable RBI guidelines.

During the year under review, the Committee was reconstituted on November 10, 2023, and February 01, 2024. The Composition of SCBF & RWD as on March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. R. Ramachandran, <i>Part-time Chairman and Independent Director (upto September 23, 2023)</i>	Chairperson
2	Mr. Krishna Prasad Nair, <i>Part-time Chairman and Independent Director (w.e.f. November 10, 2023)</i>	Chairperson
3	Mr. Jyotin Mehta, <i>Independent Director</i>	Member
4	Mr. Mrutunjay Sahoo, <i>Independent Director</i>	Member
5	Dr. Mandeep Maitra, <i>Independent Director (upto January 30, 2024)</i>	Member
6	Mrs. Swati Datye, <i>Independent Director (w.e.f. February 01, 2024)</i>	Member
7	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member

The Committee was last reconstituted on May 06, 2024, wherein Mr. Deepak Kumar Sharma and Mr. Hemant Shah were inducted as additional members of the Committee.

The terms of reference of the SCBF & RWD are as under:

- 1) To review cases of wilful defaults involving 25 lakhs and above and identified as such by the management. Also to monitor and follow up cases of frauds involving amounts of 1 Crore and above so as to:
 - a) Identify any lacunae in the system, that facilitate perpetration of the fraud and put in place measures to plug the same;
 - b) Identify reasons for delay in detection and reporting of frauds to top management of the Bank and the Reserve Bank of India;
 - c) Ensure that staff accountability is examined at all levels in the cases of frauds and action against staff, if required, is completed quickly, with minimum loss of time;
 - d) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal control environment;

- 2) Analyse and review the trends of frauds and recommend strengthened monitoring in fraud-prone areas.
- 3) To review electronic / digital banking frauds;
- 4) Examine the procedures and responsibilities for timely reporting of frauds to concerned regulatory and enforcement agencies; to review any other similar organisation in respect of the cases and recovery position thereof;
- 5) To undertake NPA review on a periodic basis in order to detect signals of potential fraud / wilful default;
- 6) To review/ consider publication of the photographs of borrowers, including proprietors/ partners/directors/ guarantors of borrower firms/ companies, who have been declared as wilful defaulters and Non-cooperative borrowers; and
- 7) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of SCBF & RWD:

During the year under review, the Committee met Four (4) times on June 19, 2023, September 04, 2023, November 30, 2023, and February 27, 2024.

The details of the meetings of SCBF & RWD Committee attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. R. Ramachandran (upto September 23, 2023)	2	2
Mr. Krishna Prasad Nair (was Member w.e.f. September 08, 2022 and appointed as Chairman w.e.f. November 10, 2023)	4	4
Mr. Jyotin Mehta	4	4
Mr. Mrutunjay Sahoo	4	4
Dr. Mandeep Maitra (upto January 30, 2024)	3	3
Mrs. Swati Datye (w.e.f. February 01, 2024)	1	1
Mr. Baskar Babu Ramachandran	4	4

(vi) Customer Service Committee:

The Bank has constituted the Customer Service Committee ("CSC") in line with the provisions of applicable RBI guidelines.

The Committee was reconstituted on November 10, 2023, and February 01, 2024. The Composition of CSC as of March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. R. Ramachandran <i>Part-time Chairperson and Independent Director (upto September 23, 2023)</i>	Chairperson
2	Mr. Krishna Prasad Nair <i>Part-time Chairperson and Independent Director (w.e.f. November 10, 2023)</i>	Chairperson
3	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
4	Mr. Jyotin Mehta, <i>Independent Director</i>	Member
5	Mr. Ranjit Shah, <i>Investor Director*</i>	Member
6	Dr. Mandeep Maitra, <i>Independent Director (upto January 30, 2024)</i>	Member
7	Mrs. Swati Datye, <i>Independent Director (w.e.f. February 01, 2024)</i>	Member
8	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member

*The Committee was last reconstituted on May 06, 2024, wherein Mr. Deepak Kumar Sharma and Mr. Hemant Shah were inducted as additional members of the Committee and Mr. Ranjit Shah ceased to be member of the Committee.

The terms of reference of the Customer Service Committee are as under:

- 1) Assessing the overall implementation of the Customer Service Policies of the Bank and reviewing effective implementation of RBI directives.
- 2) Review of product approval process with respect to suitability and appropriateness for the customers and reporting of launching of any new products to the Committee.
- 3) Review of customer feedback gathered through customer satisfaction survey and suggest action for improvement and undertake appropriate measures / steps to protect customer's interests and provide best in class services to the customers.
- 4) Review of branding, marketing and customer engagement activities of the Bank and to work as a business support engine for growth of the Bank.
- 5) Review of activities undertaken to promote digital payments.
- 6) Review all the awards given by the Banking Ombudsman and those awards remaining unimplemented for more than three months.
- 7) To review at quarterly intervals the number of claims from deceased depositors.

- 8) Perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of CSC:

During the year under review, the CSC met Four (4) times on May 09, 2023, August 04, 2023, November 07, 2023, and February 06, 2024.

The details of the meetings of CSC attended by the members during FY 2023-24, are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. R. Ramachandran (upto September 23, 2023)	2	2
Mr. John Arunkumar Diaz	4	4
Mr. Jyotin Mehta	4	4
Mr. Ranjit Shah	4	2
Dr. Mandeep Maitra (w.e.f. September 08, 2022)	3	2
Mrs. Swati Datye, (w.e.f. February 01, 2024)	1	1
Mr. Krishna Prasad Nair (w.e.f. November 10, 2023)	1	1
Mr. Baskar Babu Ramachandran	4	4

(vii) IT Strategy Committee:

The Bank has constituted the IT Strategy Committee ("ITSC") in line with the provisions of applicable RBI guidelines.

The Composition of ITSC as of March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Krishna Prasad Nair, <i>Independent Director</i>	Chairperson
2	Mr. Jyotin Mehta, <i>Independent Director</i>	Member
3	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
4	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member

The Committee was last reconstituted on May 06, 2024, wherein Mr. Deepak Kumar Sharma was inducted as additional member of the Committee.

The terms of reference of the IT Strategy Committee are as under:

- 1) Review of technological developments in banking industry having relevance to the operations of the Bank, risk management, cyber security etc.

- 2) To approve and recommend to the Board an annual IT related strategy, its alignment with the overall business strategy, with risk management and its budget implications. Review implementation of the above on a quarterly basis.
- 3) Review of progress in project implementation.
- 4) Review of vendor performance.
- 5) Review of Disaster Recovery Site performance, the Business Continuity Plan (BCP) and matters related thereto and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement.
- 6) Review IT organizational structure including IT-training matters.
- 7) Review compliance to various IT-related inspection and audit reports.
- 8) Review Cyber Security framework and related matters.
- 9) Approving policies related to IT and Information security.
- 10) Ensure that IT architecture, investment, organizational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.
- 11) Perform oversight functions over the IT Steering Committee (at a senior management level).
- 12) Monitoring IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.
- 13) Overseeing the aggregate funding of IT at a bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.
- 14) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of ITSC:

During the year under review, ITSC met Nine (9) times on April 10, 2023, May 11, 2023, June 14, 2023, July 27, 2023, August 07, 2023, September 04, 2023, November 03, 2023, January 24, 2024, and March 14, 2024.

The details of the meetings of ITSC attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Krishna Prasad Nair	9	9
Mr. Jyotin Mehta	9	9
Mr. John Arunkumar Diaz	9	9
Mr. Baskar Babu Ramachandran	9	9

(viii) Credit Committee of the Board:

The Bank has constituted the Credit Committee of the Board (“CCB”) in line with the provisions of applicable RBI guidelines.

The Composition of CCB as on March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Mrutunjay Sahoo, <i>Independent Director</i>	Chairperson
2	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
3	Mr. Krishna Prasad Nair, <i>Independent Director</i>	Member
4	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member

The terms of reference of the Credit Committee are as under:

- Approval of the credit proposals, that are beyond the approval authority of the Executive Credit Committee / MD & CEO, within the limits stipulated in the Credit Policy of the Bank, as amended, from time to time.
- Review of the quality of the credit portfolio of the Bank on a quarterly basis.
- Review of the Credit Policy and other Credit related Policies of the Bank from time to time together with the credit risk management policies and suggest modifications as and when required.
- Review of trend in Quick Mortality and Performance of Restructured Book vis-à-vis Overall pool.
- Review of enhancement of limits in various loan products of the Bank viz., Commercial Vehicle, Housing Loan, Loan Against Property, JLG etc. and recommend to the Board for approval.
- Review list of proposals approved by the MD & CEO of the Bank.
- Review and recommend proposals for Sale of stressed loans for approval by the Board of Directors of the Bank.
- Review and recommend creation of various provisions relating to advances of the Bank for approval by the Board.
- Perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of CCB:

During the year under review, the CCB met Eleven (11) times on May 09, 2023, June 15, 2023, July 26, 2023, August 18,

2023, September 05, 2023, September 21, 2023, November 30, 2023, January 23, 2024, February 27, 2024, March 15, 2024, and March 26, 2024.

The details of the meetings of CCB attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Mrutunjay Sahoo	11	11
Mr. John Arunkumar Diaz	11	11
Mr. Krishna Prasad Nair	11	11
Mr. Baskar Babu Ramachandran	11	11

(ix) Stakeholders’ Relationship Committee:

The Bank has constituted the Stakeholders’ Relationship Committee (“SRC”) in line with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations.

During the year under review, the Committee was reconstituted November 10, 2023 and February 01, 2024. The Composition of SRC as on March 31, 2024, is given below:

Sr. No.	Name of Members	Designation
1	Mr. R. Ramachandran, <i>Independent Director (upto September 23, 2023)</i>	Chairperson
2	Mr. Mrutunjay Sahoo, <i>Independent Director (was Member till November 09, 2023, and thereafter, appointed as Chairperson w.e.f. November 10, 2023)</i>	Chairperson
3	Dr. Mandeep Maitra, <i>Independent Director (upto January 30, 2024)</i>	Member
4	Mr. Ranjit Shah, <i>Investor Director</i>	Member
5	Mrs. Swati Datye, <i>Independent Director (w.e.f. February 01, 2024)</i>	Member
6	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member

The Committee was last reconstituted on May 06, 2024, wherein Mr. Deepak Kumar Sharma was inducted as additional member of the Committee.

Compliance Officer

Mr. Krishna Kant Chaturvedi, Company Secretary of the Bank is appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations and is responsible for the compliance with the requirements of the Securities Laws and SEBI Listing Regulations with the Stock Exchanges. He also acts as the Secretary of this Committee.

The terms of reference of the Stakeholder's Relationship Committee are as under:

- 1) To Resolve the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- 2) To Review measures taken for effective exercise of voting rights by shareholders;
- 3) To review various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Bank; and
- 4) To monitor and review the performance and services being rendered by the Registrar and Transfer Agents of the Bank.
- 5) To Monitor and review any investor complaints, in respect of general meetings, transfer / transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new / duplicate certificates, general meetings, etc., received by the Bank or through RTA or through SEBI SCORES portal and ensure their timely and speedy redressal.
- 6) To oversee and review all matters connected with transfer, transmission, name deletion, transposition, dematerialisation, rematerialisation, splitting/subdivision, consolidation of securities issued by the Bank and transfer of unclaimed dividend/shares to Investor Education and Protection Fund (IEPF).
- 7) To review movements in shareholding and ownership structure of the Bank.
- 8) The Committee shall oversee the various aspects of interests of all stakeholders of the Bank, including the shareholders and other security holders.
- 9) The Committee may sub-delegate all or any of its powers as referred in Clause (i) to (v) above to the Managing Director & chief executive officer or the Company Secretary to ensure timely and speedy resolution of any complaints/grievances/request etc.
- 10) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

This Committee oversees redressal of shareholders' and debenture holders' grievances and other related matters.

During the year under review, the SRC met Four (4) times on May 10, 2023, August 04, 2023, November 08, 2023, and February 06, 2024.

The details of the meetings of the SRC attended by the members during FY 2023-24 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. R. Ramachandran (upto September 23, 2023)	2	2
Mr. Mrutunjay Sahoo	4	4
Mr. Ranjit Shah	4	2
Dr. Mandeep Maitra (upto January 30, 2024)	3	2
Mrs. Swati Datye (w.e.f. February 01, 2024)	1	1
Mr. Baskar Babu Ramachandran	4	4

Investor Services

The Bank maintains continuous interaction with KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Registrar and Transfer Agent ("**RTA**") and takes proactive steps and action for resolving complaints / queries of the shareholders and takes necessary initiatives in solving critical issues.

Further, the shareholders can lodge their complaints on the SEBI Complaints Redressal System (SCORES) platform also, which is an online redressal system for investor grievances. The complaints received through the said platform have also been resolved promptly by the RTA/Bank.

There were no investor complaints received and disposed-off during FY 2023-24. The Bank has received 1 dematerialization request during the year which was processed within the prescribed timeline.

For any assistance or request regarding transfer / transmission /dematerialisation of securities, non-receipt of annual report and any other query relating to the securities of the Bank, the investors may contact the RTA, KFin Technologies Limited at einward.ris@kfintech.com .

For any escalations, shareholders may write to the Bank at company.secretary@suryodaybank.com; inv.relations@suryodaybank.com

Meeting of the Independent Directors

There were Two (2) separate meetings of the Independent Directors of the Bank were held on May 10, 2023, and November 29, 2023.

All Independent Directors have attended the abovementioned meetings.

5. Particulars of Senior Management including the changes therein since the close of the previous Financial Year

a) Particulars of Senior Management as on March 31, 2024[#]

Sr. No.	Name of Senior Management employees	Designation
1.	Mr. Baskar Babu Ramachandran	Managing Director & CEO
2.	Mr. Kanishka Chaudhary	Chief Financial Officer
3.	Mr. Yogesh Dixit	Chief Risk Officer
4.	Mr. Krishna Kant Chaturvedi	Company Secretary
5.	Mr. Shankar Surendran	Chief Compliance Officer
6.	Ms. Dhara Manoj Vyas	Chief People Officer and Head - CSR
7.	Ms. Vibha Dilip Gawde	Chief Audit Officer
8.	Mr. Pandurang Gopinathrao Dixit	Chief of Internal Vigilance
9.	Mr. Sasidhar Vavilala	EVP - Business Intelligence & Analytics
10.	Mr. Himanshu Mishra	Chief Business Officer - Retail Banking
11.	Mr. Sandeep Arora	Chief Product and Customer Experience Officer
12.	Mr. Senthil Kumar	Chief Business Officer – Inclusive Finance and Wheels
13.	Mr. Sudhakar Mogera	SVP - FIG & Digital Banking
14.	Mr. Gaurav Pawra	Business Head - Mortgages
15.	Mr. Sudheer Muvva	Chief Technology Officer
16.	Mr. Narayan Thathai	SVP – Treasury Front Office
17.	Mr. Anand Balaji K	Head Credit-Inclusive Finance
18.	Mr. Kartiklingam Nadar	Head - Operations
19.	Mr. Vijay Vasudevan	Head - Business Solutions

[#] Mr. Hemant Shah has been appointed as Executive Director of the Bank w.e.f. April 01, 2024, for a period of Three (3) Years.

During the year under review, following were the changes in the senior management of the Bank.

Sr. No.	Name of Employee	Designation	Date of Change	Type of Change
1	Mr. Sandeep Arora	Chief Product and Customer Experience Officer	December 22, 2023	Appointment
2	Mr. Narayan Vasudeva Rao	Chief Services Officer	December 31, 2023	Cessation
3	Mr. Vishal Singh*	Chief Information Officer	March 15, 2024	Cessation

* Mr. Vishal Singh has been re-appointed as Chief Information Officer and Head – Digital Banking of the Bank effective from June 15, 2024.

6. REMUNERATION OF DIRECTORS

i) Compensation Policy:

As per the provisions of sub-section (3) of Section 178 of the Act, the Bank has a Policy on appointment of Directors and Senior Management employees which includes formulating criteria for determining qualifications, attributes and independence of a Director. The Board has, in accordance with the RBI guidelines on compensation, formulated the Compensation Policy which became effective in FY 2020-21, which has been amended from time to time and available on the website of the Bank at https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Compensation_Policy_FY23-24_4.0.pdf .

The Compensation Policy institutes a mechanism for alignment of compensation of Whole-time Directors, Chief Executive Officer, Material Risk Takers, Control Function Staff, and other senior managerial personnel with the extent of risks taken. The Policy also establishes standards on compensation including fixed and variable, which are in alignment with the applicable rules and regulations including the RBI guidelines in this regard and which is based on the trends and practices of remuneration prevailing in the banking industry.

ii) Remuneration paid to Executive Director:

Remuneration of the Managing Director & CEO comprises of basic salary, special allowance, perquisites and retiral benefits as may be approved by the Board, the shareholders and the RBI and performance incentive / variable pay, as may be approved by the Board and the RBI.

Details of remuneration paid to the Managing Director & CEO in FY 2023-24

Fixed Remuneration (including allowances) for FY-2023-24 (₹) [in Lakhs]	Retirals: Contribution to Provident fund and Gratuity (₹) [in Lakhs]	Perquisites in cash or kind (₹) [in Lakhs]	Total Fixed Remuneration (₹) [in Lakhs]
162.12	13.88	0	176.00

Variable Pay of ₹80 lacs was approved by RBI for FY'23, of which ₹24 lacs have been paid in Oct'2023 in line with the Compensation Policy of the Bank.

The Variable Pay to the Managing Director & CEO for FY 2023-24 is within the limit as approved by the Members at 15th AGM of the Bank and subject to the approval of the RBI, which is awaited.

Mr. Baskar Babu Ramachandran holds 53,51,911 Equity shares in the Bank as on March 31, 2024. Being a Promoter Director, he is not eligible for grant of any stock options.

He sold 9,50,000 Equity shares on August 29, 2023, towards settlement of his existing loans availed by him for exercising warrants in order to maintain the promoter's stake at the minimum of 26% for the first five years (i.e. upto January 22, 2022), as per the RBI Regulations. Post this transaction, his individual holding remained 53,51,911 Equity shares (5.04%).

Remuneration to Non-Executive Directors:

All the non-executive directors including the Independent Directors receive sitting fees for each meeting of the Board and Board's Committees. No stock options are granted to any of the Non-Executive Directors.

Details of sitting fees paid to Non-Executive Directors during FY 2023-24 are given below:

Name of Members	Sitting Fees paid for meetings attended (in lakhs)
Mr. R. Ramachandran, <i>Part-time Chairperson and Independent Director (upto September 23, 2023)</i>	10.30
Mr. Krishna Prasad Nair, <i>Part-time Chairperson and Independent Director (w.e.f. November 01, 2023)</i>	21.40
Mr. Mrutunjay Sahoo, <i>Independent Director</i>	21.90
Mr. Jyotin Mehta, <i>Independent Director</i>	18.30
Mr. Ranjit Shah*, <i>Investor Director</i>	Nil
Mr. John Arunkumar Diaz, <i>Independent Director</i>	23.00
Dr. Mandeep Maitra, <i>Independent Director (upto January 30, 2024)</i>	10.20
Mrs. Swati Datye, <i>Independent Director (w.e.f. February 1, 2024)</i>	2.20

** Mr. Ranjit Shah, Investor Director, has waived the sitting fees payable to him.*

7. GENERAL BODY MEETINGS

a) Details of last three Annual General Meetings:

The day, date, time, and venue of the Annual General Meetings (“AGMs”) held during the last three financial years, and the special resolution(s) passed thereat by e-voting and poll are as follows:

Sr. No.	Particulars	Day and Date	Time	Location	Special Resolutions passed
1	13th AGM of the Bank	Monday, September 20, 2021	3:30 p.m. Indian Standard Time (“IST”)	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) pursuant to Circular issued by Ministry of Corporate Affairs and SEBI	1) To re-appoint Mr. Mrutunjay Sahoo (DIN: 00015715) as an Independent Director of the Bank. 2) To ratify the new set of Articles of Association approved vide Special Resolution passed at the Annual General Meeting of the Bank on September 28, 2020 prior to listing of Equity Shares of the Bank. 3) To ratify the “Suryoday ESOP Scheme 2019”. 4) To approve revised remuneration payable to the Managing Director & Chief Executive Officer (MD & CEO), Mr. Baskar Babu Ramachandran (DIN: 02303132).
2	14th AGM of the Bank	Friday, August 26, 2022	3:30 p.m. Indian Standard Time (“IST”)	Through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) pursuant to Circular issued by Ministry of Corporate Affairs and SEBI	1) To re-appoint Mr. Jyotin Kantilal Mehta (DIN:00033518) as an Independent Director of the Bank. 2) To appoint Dr. Mandeep Maitra, (DIN: 06937451) as an Independent Director of the Bank. 3) To approve the re-appointment of Mr. Baskar Babu Ramachandran (DIN: 02303132) as Managing Director & Chief Executive Officer (MD & CEO) of the Bank. 4) To approve remuneration payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer (MD & CEO) of the Bank.

Sr. No.	Particulars	Day and Date	Time	Location	Special Resolutions passed
3	15th AGM of the Bank	Thursday, September 14, 2023	4:30 p.m. Indian Standard Time ("IST")	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to Circular issued by Ministry of Corporate Affairs and SEBI	1) To approve the alteration of the Capital Clause in the Memorandum of Association of the Bank. 2) To approve the increase in the borrowing limit of the Bank up to ₹ 6,000 Crores under Section 180 (1)(c) of the Companies Act, 2013. 3) To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2023-24.

b) During the year under review, there were no Extra Ordinary General Meeting were held.

c) Whether any Special Resolutions passed last year through postal ballot: Yes

d) Details of Postal Ballot(s) conducted during FY 2023-24 and Procedure followed

The postal ballot process was conducted in accordance with the provisions of Section 110 and Section 108 of the Act read with Rule 22 and Rule 20 of the Companies (Management & Administration) Rules, 2014 and the Circulars issued by Ministry of Corporate Affairs ("MCA") and SEBI, from time to time in this regard.

MCA vide its circulars has permitted companies to conduct postal ballots by sending the notice in electronic form. Accordingly, physical copies of the notice along with postal ballot form and pre-paid business reply envelopes were not sent to the members for the postal ballots conducted during the year. Members were requested to convey their assent or dissent through remote e-voting only. Copies of the postal ballot notice were hosted on the website of the Bank, websites of the stock exchanges (i.e., BSE Limited and National Stock Exchange of India Limited) at www.bseindia.com and www.nseindia.com, respectively, and on the website of 'Bank's e-voting agency i.e., KFin Technologies Limited at www.kfintech.com. An advertisement was also published in the newspapers informing about completion of dispatch of the postal ballot notice and other details.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

The Bank had appointed Mr. Tushar Shridharani, Practising Company Secretary (FCS No. 2690 & C.P No.: 2190), Mumbai and failing him, Ms. Nandini Parikh, Practising Company Secretary (FCS No. 6240 & C.P No.: 5760), as the Scrutinizer, to scrutinize the remote e-voting process for conducting the Postal Ballot process in a fair and transparent manner.

The Scrutinizer submitted his report to Mr. Krishna Prasad Nair, Part-time Chairman of the Bank and Mr. Baskar Babu Ramachandran, Managing Director & CEO of the Bank and the results of the voting were disclosed to the stock exchanges, were published on the websites of the Bank and of the e-voting agency and were also displayed at the registered office.

Pursuant to the aforesaid provisions/ rules/ circulars issued by MCA and SEBI, the Bank has received shareholders' approval by passing the following special and ordinary resolutions on April 28, 2024.

Date of Postal Ballot Notice	Scrutinizer	Date of Approval	Link for Postal Ballot Notice and Results	Special and Ordinary Resolutions passed through Postal Ballot	No. of Votes in Favour	No. of Votes Against	% of Votes in Favour	% of Votes Against
March 22, 2024	Mr. Tushar Shridharani, Practicing Company Secretary (Membership No. FCS 2690 and Certificate of Practice No. 2190)	April 28, 2024	https://www.suryodaybank.com/Shareholders-Meeting-postal-ballot-23-24	To take note of the appointment of Mr. Krishna Prasad Nair (DIN: 02611496), Independent Director, as Non-Executive Part-time Chairman of the Bank. <i>(Ordinary Resolution)</i>	3,82,03,490	2,957	99.9923	0.0077
				To approve the appointment of Mrs. Swati Datye (DIN: 06751552) as an Independent Director of the Bank. <i>(Special Resolution)</i>	3,82,03,523	2,928	99.9923	0.0077
				To approve the appointment of Mr. Hemant Premchand Shah (DIN: 10548728) as a Director of the Bank. <i>(Ordinary Resolution)</i>	3,82,04,034	2,457	99.9936	0.0064
				To approve the appointment of Mr. Hemant Premchand Shah (DIN: 10548728) as Whole-time Director, designated as Executive Director and Key Managerial Personnel of the Bank. <i>(Ordinary Resolution)</i>	3,80,49,674	1,56,746	99.5897	0.4103

Note: The Bank has appointed Mr. Deepak Kumar Sharma (DIN:10575402) as an Independent Director of the Bank w.e.f. April 11, 2024 by passing a Special Resolution through Postal Ballot on July 08, 2024.

8. MEANS OF COMMUNICATION

The Bank has provided timely and adequate information in transparent manner to its members through the Stock Exchanges and hosting of the information/ disclosures on the website of the Bank simultaneously.

Further, the unaudited and audited financial results, after approval by the Board, are disclosed to the Stock Exchanges as per the requirements of the SEBI Listing Regulations and are also published in one English and one Regional language (Marathi) newspapers viz. Business Standard and Mumbai Lakshdweep respectively and also displayed on the Bank's website at <https://www.suryodaybank.com/Disclosures-to-Stock-Exchanges>. The Presentations made by the management to Institutional Investors/Analysts/Media are uploaded on the Bank's website at <https://www.suryodaybank.com/Financial-Result>.

The Bank's website <https://www.suryodaybank.com/> contains a separate "Disclosures to Stock Exchanges" Section wherein financial results, corporate announcement, reports and presentations, Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other disclosures are made available. The Bank send various communication such as notice calling general meeting/postal ballot notice, and Annual Report to the email ids of the shareholders registered with the depositories.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting of the Bank:	Thursday, September 12, 2024, 03:30 p.m.
Date, Time, Venue	Through video Conferencing/ Other audio-visual means
Financial Year	April 01 to March 31
Names and addresses of Stock Exchange where Equity Shares of the Bank are listed and Stock Code and confirmation on payment of Listing fees	<p>1. National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Stock Code: SURYODAY</p> <p>2. BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001 Stock Code: 543279</p> <p>The Equity Shares of the Bank are listed on the aforesaid Stock Exchanges with effect from March 26, 2021, and the annual listing fees for FY 2023-24 have been paid.</p> <p>The securities of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory/ Statutory Authority.</p>
CIN	L65923MH2008PLC261472
Date of Incorporation	November 10, 2008
ISIN	INE428Q01011
Depositories	1) National Securities Depository Limited ("NSDL") 2) Central Depository Services (India) Limited ("CDSL")
Dividend Payment date	The Bank has not proposed any Dividend for FY 2023-24.
Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	None
Listing of Debt securities of the Bank	The debt securities of the Bank (Non-Convertible Debentures) are listed on the Wholesale Debt Segment of the BSE Ltd., the Security Code being 960033.
Name and addresses of Debenture Trustee	<p>Beacon Trusteeship Limited 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai 400 051 Phone No: 022-26558759 Toll Free No. 9555449955 Email: compliance1@beacontrustee.co.in</p>

Registrar and Share Transfer Agent
for Equity Shares and Non-Convertible
Debentures

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
Unit: Suryoday Small Finance Bank Limited
Selenium Building, Tower B,
Plot No. 31-32, Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi, Telegana-500 032, India
Phone No: 040-6716 2222; Fax No.: 040 -23001153
Toll Free No. 1- 800-309-4001
Email: einward.ris@kfintech.com

Dematerialisation of shares and liquidity

The equity shares of the Bank are available for trading in the dematerialised form under both the depositories in India - NSDL and CDSL. Trading in Bank's equity shares can be done only in the dematerialised form.

Position of Equity shares as on March 31, 2024:

Sr. No.	Description	Number of Equity Shares	% to Equity Share Capital
1	NSDL	8,28,41,018	78.0042
2	CDSL	2,33,57,989	21.9942
3	Physical	1,691	0.0016
	Total	10,62,00,698	100

Over 99.99 percent of the Equity Shares of the Bank are in dematerialized form and transfer of these shares is carried out through the Depositories without the involvement of the Bank.

With respect to shares held in physical form, no request for transfer of shares is processed by the Bank. Such shareholders are requested to get their shares dematerialized. The Bank has been following up such shareholders for dematerialisation of their shares held in physical form.

SEBI Complaints redressal systems (SCORES)

The Bank is registered with SEBI Complaints redressal systems (SCORES).

Distribution of shareholdings

Details provided below

Demat Suspense Account

During the year under review, no such transfer was made to Demat Suspense Account.

Details of credit ratings

The details of all credit ratings obtained by the Bank for all debt instruments are furnished in the Directors' Report.

Address for correspondence

Company Secretary and Compliance Officer
Unit No. 1101, Sharda Terraces,
Plot no. 65, Sector-11, CBD Belapur,
Navi Mumbai-400614

Shareholders' Helpdesk

Dedicated email id for Shareholders' queries/grievances:

Banking Customer Helpdesk

In the event of any queries/complaints, banking customers can directly approach to the Branches or can call/write to the Bank using the following contact details of Smile Centre Call: Customer care (Phone Banking) Numbers: 1800 266 7711 or Write to smile@suryodaybank.com

Distribution of shareholding as on March 31, 2024

Sl. no.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	95386	99.08	15109121	14.23
2	5001 - 10000	420	0.44	3089138	2.91
3	10001 - 20000	220	0.23	3151914	2.97
4	20001 - 30000	69	0.07	1688329	1.59
5	30001 - 40000	39	0.04	1392622	1.31
6	40001 - 50000	23	0.02	1064628	1.00
7	50001 - 100000	45	0.05	3236773	3.05
8	100001 & Above	74	0.08	77468173	72.94
TOTAL		96276	100.00	106200698	100.00

Shareholding pattern as on March 31, 2024

Shareholding pattern as on March 31, 2024			
Sr. No.	Category and name of shareholder	No. of fully paid-up equity shares held	%
A	Promoter & Promoter Group		
A1	Indian		
a	Individuals/Hindu undivided Family	11851398	11.16
b	Central Government/ State Government(s)	0	0.00
c	Financial Institutions/ Banks	0	0.00
d	Any Other (specify)	11933334	11.24
	Sub-Total (A)(1)	23784732	22.40
A2	Foreign		
a	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0.00
b	Government	0	0.00
c	Institutions	0	0.00
d	Foreign Portfolio Investor	0	0.00
e	Any Other (specify)	0	0.00
	Sub-Total (A)(2)	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	23784732	22.4
B	Non-Promoters' holding or Public shareholder		
B1	Institutions		
a	Mutual Funds/	3376496	3.18
b	Venture Capital Funds	0	0
c	Alternate Investment Funds	2836401	2.67
d	Foreign Venture Capital Investors	0	0.00
e	Foreign Portfolio Investors	3085599	2.90
f	Financial Institutions/ Banks	1056742	1.00
g	Insurance Companies	7639767	7.19
h	Provident Funds/ Pension Funds	0	0.00
i	Any Other (specify)	0	0.00
	Sub-Total (B)(1)	17995005	16.94
B2	Central Government/ State Government(s)/ President of India	0	0.00
	Sub-Total (B)(2)	0	0.00
B3	Non-institutions		
a	Individuals -		
i	Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	19151814	18.03
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	15133920	14.25
b	NBFCs registered with RBI	1450	0.00
c	Employee Trusts	0	0.00
d	Overseas Depositories (holding DRs) (balancing figure)	0	0.00
e	Any Other (specify)	30133777	28.38
	Sub-Total (B)(3)	64420961	60.66
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	82415966	77.60

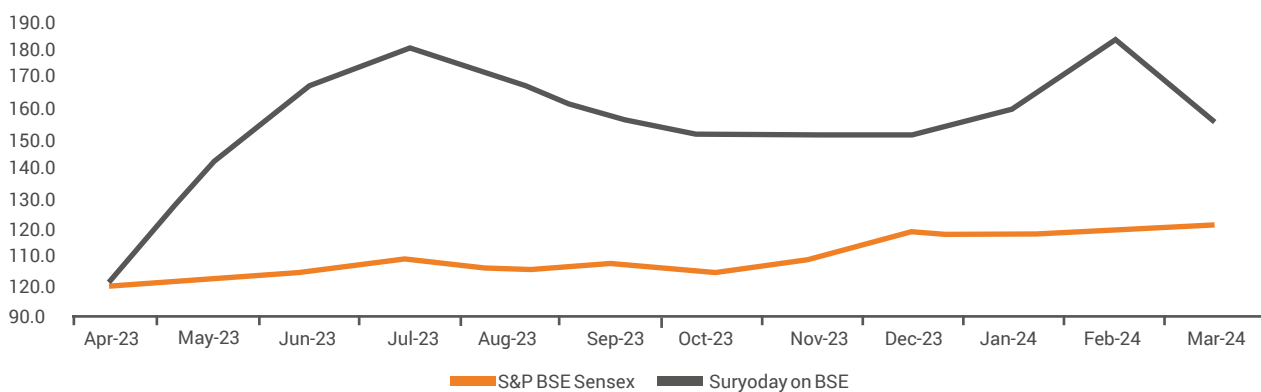
Shareholding pattern as on March 31, 2024			
Sr. No.	Category and name of shareholder	No. of fully paid-up equity shares held	%
C	Non-Promoters' holding or Non-Public shareholder (GDRs)		
1	Custodian/DR Holder	0	0.00
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0.00
Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)		0	0.00
Grand total (A+B+C)		106200698	100.00

Market price Data: High, Low during each month in last financial year

Month and Year	BSE			NSE		
	High (₹)	Low (₹)	Volume (000's)	High (₹)	Low	Volume (000's)
Apr-23	107.4	90.5	374.02	106.2	95.1	7,708.4
May-23	149.7	100.0	3,409.50	149.8	101.3	42,858.4
Jun-23	183.1	142.7	2,237.54	183.4	142.5	18,507.8
Jul-23	189.1	162.3	1,365.99	189.3	163.3	15,015.4
Aug-23	193.9	165.0	1,215.50	194.6	173.1	12,371.0
Sep-23	179.3	150.8	1,278.82	179.2	150.7	12,207.9
Oct-23	172.9	142.9	809.46	173.5	142.3	9,050.8
Nov-23	170.0	152.4	840.75	170.1	151.5	8,868.2
Dec-23	167.5	151.0	789.17	167.7	150.7	10,113.3
Jan-24	184.5	154.0	1,616.35	184.3	156.0	22,566.9
Feb-24	204.1	161.6	2,843.93	204.4	162.0	28,625.9
Mar-24	197.4	144.1	1,293.32	197.7	145.3	11,813.6

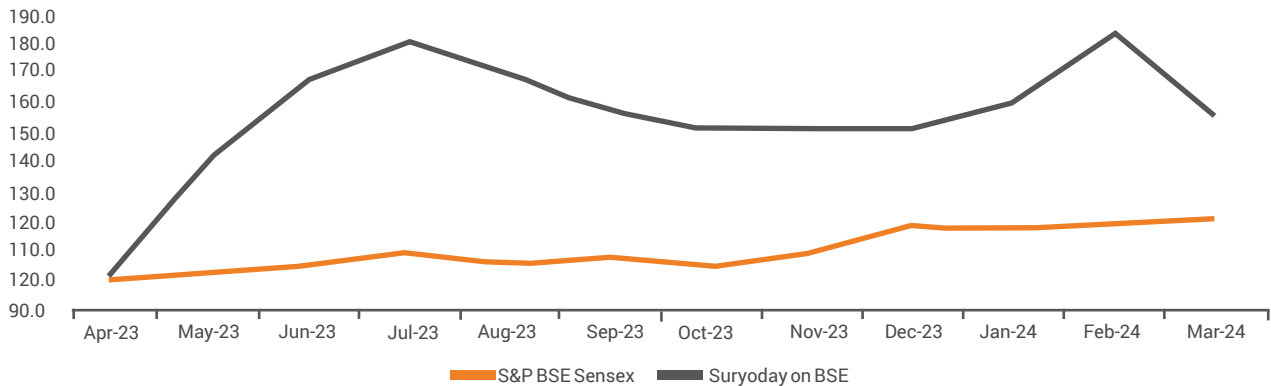
Performance of the Bank's Equity shares as compared with indices:

A) SSFB via-a-vis NIFTY – FY 2023-24



Particulars	Market Cap as on 31st March 2024 (₹ Cr)	31-Mar-24	01-Apr-23	% Change
Suryoday Small Finance Bank Ltd.	1,708.8	160.9	102	58%
NIFTY 50		22,326.9	17,398.05	28%
NIFTY BANK		47,124.60	40,813.05	15%

B) SSFB via-a vis SENSEX- FY 2023-24



Particulars	Market Cap as on 31st March 2024 (₹ Cr)	31-Mar-24	01-Apr-23	% Change
Suryoday Small Finance Bank Ltd.	1,009	161	101	58%
S&P BSE Sensex		73,651.4	59,106.4	25%

Share transfer system

As mandated by SEBI, securities of the Bank can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. Further, the shareholders holding shares in physical form are requested to avail the facility of dematerialisation. The Bank's shares are traded under compulsory dematerialised mode. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges and available on the website of the Bank at:- https://www.suryodaybank.com/assets/pdf/SSFB_Certificate_under_Reg_40_9_signed.pdf

Board Diversity

The Bank believes that Board diversity plays a very important role in the transparency and in the decision-making process in the Boardroom. The Bank has formulated and implemented Policy to Promote Diversity of Board of Director to comply with the Regulation 19(4) read with Part D of SEBI Listing Regulations and other applicable circulars / guidelines issued by RBI.

The objective of this Policy is to provide a framework and set standards for having a diversified Board which would facilitate better decision making leveraging different qualifications, skills, knowledge, and experience of the Board members and offering broader perspectives that are directly relevant to the business.

The Bank further believes that a diversified Board enhances board effectiveness and contributes towards driving business results, making corporate governance more effective, enhancing the quality and decision-making capability, ensuring sustainable development, and enhancing the reputation of the Bank.

The Board Diversity Policy is available on the website of the Bank at:- https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Policy%20to%20Promote%20Diversity%20of%20Board%20of%20Directors_FY%2024-25_1.0.pdf

Succession Planning

Succession planning is an effective tool for any organization to ensure smooth succession generally across employees of all levels and specifically with members of the Board and senior management personnel without affecting the current roles and responsibilities and facilitating leadership and management continuity. Succession planning involves identification and assessment of potential and developing the next generation of leaders to assume higher responsibilities and key leadership roles in the Bank.

In terms of SEBI Listing Regulations and other applicable circulars/guidelines issued by RBI, the Bank has formulated Policy on Succession Planning for the Managing Director/ Whole-time/Executive directors, Non-executive directors, Independent directors and other members of the Board and senior management personnel of the Bank.

The Policy on Succession Planning is available on the website of the Bank at:- https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Policy_on_Succession_Planning_FY22-23_1.0.pdf

Plant Locations

Being a Banking Company, the Bank operates its business through a network of 695 Branches. The details of the Branch Addresses are available on the website of the Bank at:- <https://locate.suryodaybank.com/#/>.

10. OTHER DISCLOSURES

a) Related Party transactions

The Bank has a Board-approved Policy to deal with related party transactions and the same has been uploaded on the Bank's website at:- https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Related_Party_Transaction_Policy_FY_22_23_2.0.pdf

During the year, there were no related party transactions undertaken by the Bank.

b) Strictures and Penalties for last three financial years

i. Penalty(ies) by the Stock Exchange(s) /SEBI or other Statutory Authorities:

No penalties or strictures have been imposed on the Bank by the Stock Exchange(s)/SEBI or any other statutory authorities on matters relating to capital market during the last three years.

ii. Penalty(ies) by RBI:

There were no strictures and penalties during FY 2021-22. However, during FY 2022-23, RBI had imposed a monetary penalty of 57.75 Lakhs (Rupees Fifty-seven Lakhs Seventy-five Thousand only) on the Bank for non-compliance with the 'Reserve Bank of India (Frauds classification and reporting by commercial banks and select FIs) directions 2016' due to delayed reporting of frauds and failure to report fraud complaints to the police authorities in certain cases, which was duly disclosed.

Further, during the year under review, the RBI had imposed a monetary penalty of 10,000/- (Rupees Ten Thousand) for not extending the exchange facilities for the soiled/mutilated notes by one of the Branch of the Bank to the non-customers as prescribed by RBI vide RBI Master Direction No. RBI/2023-24/97 DCM (NE) No. G-2/08.07.18/2023-24 dated April 3, 2023. The

said penalty is as per the provisions contained in RBI Master Direction RBI/2023-24/04 DCM (CC) G-3/03.44.01/2023-24 dated April 03, 2023 updated from time to time on "Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of the public.

c) Vigil Mechanism / Whistle Blower Policy

In line with the provisions of SEBI Listing Regulations, the Act and the principles of good governance, the Bank has devised and implemented a vigil mechanism. The Bank has a Board approved Whistle Blower Policy which has been uploaded on Bank's website at:-

https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Whistle_Blower_Policy_FY22_23_1.0.pdf and details of the vigil mechanism are furnished in the Directors' Report. No person has been denied access to the Audit Committee.

d) Compliance with Mandatory Requirements of the SEBI Listing Regulations and Adoption of Non-mandatory requirements of the SEBI Listing Regulations

i. Compliance with Mandatory Requirements of SEBI Listing Regulations

The Bank has complied with all applicable mandatory requirements of the Code of Corporate Governance as per the SEBI Listing Regulations.

ii. Adoption of non-mandatory requirements of the SEBI Listing Regulations (Discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations)

A. The Board

The Bank maintains the expenses relating to the office of the non-executive Part-time Chairperson and reimburses all the expenses incurred in performance of his duties.

B. Shareholders' Rights

Apart from the quarterly update on the financial performance, the Bank also provides detailed update in form of Investor presentation for information of the shareholders.

The Bank also publishes its financial results, investors' presentations, call transcripts and Press releases every quarter and also when there is any investor event, on its website at <https://www.suryodaybank.com/> which is accessible to the public at large.

C. Modified opinion(s) in audit report

The financial statements of the Bank for FY 2023-24 are with unmodified audit opinion.

D. Separate posts of Chairperson and Managing Director/ Chief Executive Officer

The Bank has a non-executive Part-time Chairperson in terms of the provisions of the BR Act and his office is separate from the office of the Managing Director & CEO and the appointment of both the Chairperson and the Managing Director & CEO, is approved by RBI pursuant to the provisions of the BR Act.

Further, the Chairperson of the Bank is not related to the Managing Director & CEO of the Bank as per the definition of the term "relative" defined under the Act.

E. Reporting of Internal Auditor

The Chief Audit Officer of the Bank reports directly to the Audit Committee of the Board.

e) Web link where policy for determining 'material' subsidiaries is disclosed

The Bank does not have subsidiaries.

f) Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The Bank does not transact in foreign exchange, does not have exposure to lending against commodities and does not undertake hedging activities. The Bank is not exposed to foreign exchange risk, commodity price risk and risk from hedging activities.

g) Details of utilisation of funds raised through preferential allotment or qualified institutional placement

During the year under review, the Bank has not raised any funds through preferential allotment or qualified Institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.

h) Certificate under Regulation 34(3) of SEBI Listing Regulations

The Bank has obtained a Certificate pursuant to the Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, from Mr. Tushar Shridharani, Practicing Company Secretary, (FCS 2690 / COP 2190), confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate forms part of Directors' report.

i) Total fees for all services paid by the Bank to the Statutory Auditors for FY 2023-24 are detailed below

Sr. No.	Name of Members	Amount (₹ in lakhs)
1	Audit fees [§] (existing and Former Statutory Auditors)	110
2	Fees for certification and other attestation services	0
3	Non-Audit Fees (Fees for certification and other attestation services)	0
Total		110

[§] Excluding out of pocket expense.

j) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Disclosures are furnished in the Directors' Report.

Particulars	No. of Complaints
Number of Complaints carries forward from last year (FY'23)	0
Number of Complaints filed during the Financial Year (FY'24)	3
Number of Complaints disposed of during the Financial Year (FY'24)	3
Number of Complaints pending as on the end of the Financial Year (FY'24)	0

The Policy on Prevention of Sexual Harassment has been uploaded on Bank's website at:- <https://www.suryodaybank.com/assets/pdf/policies/sexual-harassment-policy.pdf>

k) Familiarisation Programme for Independent Directors

The Bank's Independent Directors are eminent professionals and career bankers with an average experience of more than Three (3) decades in Banking and finance sector, technology, financial services, governance, and management areas and having expertise of the banking business. The familiarisation programme includes internal Induction session for new Directors, familiarisation/ knowledge session on banking business and various presentations by the respective Business owners / Functional Heads of the Bank, and external Training cum Certification programmes being conducted by Institute

for Development and Research in Banking Technology ("IDRBT"), Centre For Advanced Financial Research And Learning ("CAFRAL") and other programmes relevant to business and governance of the Bank, knowledge session with subject matters experts and update on recent regulatory changes at regular intervals.

The Independent Directors of the Bank have attended various programs conducted online or in physical mode by IDRBT, Economic Times, IIM Bangalore, and other organisations. They have also attended programs organised by the management team of the Bank. The details of the programs attended by the Independent Directors is provided in the website of the Bank at:- https://www.suryodaybank.com/assets/pdf/policies/SSFB%20Familiarization%20Programmes_Independent%20Directors_FY24.pdf

I) Board's Evaluation Process

The Bank has put in place a mechanism for performance evaluation of the Directors (including the Independent Directors, the

- xiv. Any other matter the special knowledge of, and practical experience in, which would, in the opinion of the RBI, be useful to the Bank's Business / Sectors:

Chairman and the MD & CEO), Board Level Committees and the Board as a whole. The details of the same is included in the Directors' Report.

m) In terms of Schedule V of the SEBI Listing Regulations and the BR Act, the details of core skills / expertise / competencies, identified by the Board as required in the context of the Bank's businesses and sector(s) for it to function effectively and those actually available with the Board, are as follows

- i. Accountancy,
- ii. Agriculture and Rural Economy,
- iii. Banking,
- iv. Co-operation,
- v. Economics,
- vi. Finance,
- vii. Law,
- viii. Small-Scale Industry,
- ix. Information Technology,
- x. Payment & Settlement Systems,
- xi. Human Resources,
- xii. Risk Management,
- xiii. Business Management

Sr. No.	Name	Designation	Expertise
1	Mr. R. Ramachandran (upto September 23, 2023)	Part-time Chairperson and Independent Director	Agriculture and Rural Economy, Banking, Small-Scale Industry, Finance, Risk management and Business management
2	Mr. Krishna Prasad Nair	Part-time Chairperson and Independent Director (w.e.f. November 01, 2023)	Retail Banking, Human Resources, Information Technology and Administration & Facilities Management
3	Mr. Mrutunjay Sahoo	Independent Director	Agriculture and Rural Economy, MSME sector, Finance, Banking, co-operation, Economics, Small Scale Industry, Banking
4	Mr. Jyotin Kantilal Mehta	Independent Director	Accountancy, Banking, Risk Management, Small Scale industry, Information Technology
5	Mr. John Arunkumar Diaz	Independent Director	Agriculture and Rural Economy, Banking, Finance, Small Scale industry, healthcare and distribution, Manufacturing
6	Dr. Mandeep Maitra (upto January 30, 2024)	Independent Director	Human Resource, Personnel Management & Industrial Relations, Corporate Social Responsibility related activities, Banking, Finance
7	Mrs. Swati Datye (w.e.f. February 01, 2024)	Independent Director	Human Resource & Operations, talent acquisition, talent assessment, Leadership Mentoring Programs, POSH, Banking, Finance

Sr. No.	Name	Designation	Expertise
8	Mr. Deepak Kumar Sharma (w.e.f. April 11, 2024)	Independent Director	Information Technology, including Digital Platforms, Product Engineering, Design, Mobile Apps, Digital Bank-811, Digital Transformation, Banking and Telecom, Services
9	Mr. Ranjit Shah	Investor Director	Business Management, Information Technology, consumer, finance, Infrastructure
10	Mr. Baskar Babu Ramachandran	Managing Director and Chief Executive Officer	Rural Economy, Banking, Small Scale Industry, Business Management, Finance, Engineering, Risk Management
11	Mr. Hemant Shah (w.e.f. April 01, 2024)	Whole-time Director, designated as Executive Director and KMP of the Bank	Banking Operations, Risk Portfolio, Business Solutions Group and Governance Functions, Retail Operations, Compliance, Data Management, Risk Management, Business Solutions

Brief profile of the Directors of the Bank has been uploaded on the website of the Bank at <https://www.suryodaybank.com/about-us>

n) Terms and Conditions for Appointment of Independent Directors

A formal Letter of Appointment is addressed to the Independent Director(s) at the time of their appointment. The terms and conditions of Appointment of Independent Directors have been disclosed on the website of the Bank at <https://www.suryodaybank.com/assets/pdf/policies/Independent-Directors-T&C.pdf>.

As mentioned earlier in the report, all the Independent Directors have submitted the requisite declarations stating that they meet the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013, Regulation 16(1) (b) of SEBI Listing Regulations and other applicable statutory provisions which have been taken on record by the Board. In the opinion of the Board, all Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

o) Directors and Officers Liability Insurance Policy ('D&O Policy')

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Bank has taken D&O Policy, from time-to-time, for all its Directors and Officers for such quantum and for such risks as determined appropriate by the Board of Directors.

p) Criteria for Appointment of Independent Directors

The Nomination & Remuneration Committee while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Act, SEBI Listing Regulations and other applicable Rules and Regulations.

q) Queries at Annual General Meeting

Shareholders who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Bank's investor e-mail-id: company.secretary@suryodaybank.com with regard to the accounts at least 48 hours before the time fixed for the AGM mentioning their name, demat account number/folio number, e-mail ID, mobile number etc. The queries may be raised precisely and in brief to enable the Bank to answer the same suitably depending on the availability of time at the AGM.

r) Policies of the Bank

The Bank has adopted various policies/codes over period of time as a part of good Corporate Governance practices and same is available on the website of the Bank at <https://www.suryodaybank.com/Corporate-Governance-Policies>.

s) Accounting Treatment

The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule (Form A and Form B) of the BR Act and the guidelines issued by the RBI from time to time. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by RBI from time to time, the accounting standards notified under Section 133 of the Act and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

t) Code of Conduct for Prevention of Insider Trading

The Bank has formulated the Code of Conduct for Prevention of Insider Trading ("**Bank's Code**"), in accordance with the SEBI (Prohibition of Insider Trading Regulations) 2015 (the "**PIT Regulations**"), as amended from time to time, to regulate, monitor and report trading by the Designated Persons specified therein and their Immediate Relatives in securities of the Bank and for dealing in securities listed or proposed to be listed (other than securities of the Bank), by the Designated Persons specified therein and their Immediate Relatives, and enumerating practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Thus, the Bank endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The Bank is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

The Prevention of Insider Trading Policy is available on the website of the Bank at https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Insider%20Trading%20Policy_FY%2024-25_1.0.pdf .

Further, the Bank has also maintained Structured Digital Database ("**SDD**") in compliance with the Regulation 3(5) and 3(6) of the Board PIT Regulations. Further,

the SDD is fully updated in accordance with the abovementioned Rules.

u) Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Bank has formulated and approved the Dividend Distribution Policy with the objective of providing clarity to its stakeholders on the profit distribution strategies of the Bank. The policy is in line with the parameters prescribed thereunder for payment / distribution of dividend to the shareholders.

The said Policy is available on the website of the Bank at https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Dividend%20Distribution%20Policy_FY%2024-25_1.0.pdf .

v) Disclosure of certain types of agreements binding the Bank:

The Bank has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations. Accordingly, there was no requirement for disclosing the same.

w) Code of Conduct and Ethics

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The same has been hosted on the website of the Bank at https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Code%20of%20conduct%20applicable%20to%20Directors%20&%20Sr%20Mgmt%20of%20the%20Bank_FY%2024-25_1.0.pdf .

The Declaration signed by the Managing Director & CEO of the Bank stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed and forms part of this Report as **Annexure-1**.

x) Managing Director & CEO / CFO Certification

The Managing Director & CEO and the Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations, for the FY 2023-24 and the same was placed before the Board of Directors at its meeting held on May 09, 2024. The said certificate is attached as **Annexure-2** to this report.

y) Compliance Certificate

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant heads of departments by the Compliance Department. A report duly signed by the Chief Compliance Officer of the Bank confirming with applicable laws, is placed before the ACB and the Board on a quarterly basis.

z) Compliance certificate on Corporate Governance

The Bank has obtained a certificate affirming the compliance with the Corporate Governance requirements as

stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E and Schedule V of the SEBI Listing Regulations from Mr. Tushar Shridharani, Practicing Company Secretary, Mumbai which forms part of this report as **Annexure-3**. Mr. Tushar Shridharani has confirmed that the Bank has complied with the conditions of Corporate Governance as prescribed under SEBI Listing Regulations.

za) Recommendations of Committee not accepted by Board of Directors

There are no recommendations of the Committee that are not accepted by the Board of Directors of the Bank.

For and on behalf of the Board
Suryoday Small Finance Bank Limited

Krishna Prasad Nair

Part-time Chairperson & Independent Director
DIN: 02611496

Baskar Babu Ramachandran

Managing Director & CEO
DIN: 02303132

Annexure-1

COMPLIANCE WITH CODE OF CONDUCT AND ETHICS

I confirm that all the Directors and Members of the Senior Management have affirmed compliance with the Code of Business Conduct and Ethics for the Board of Directors and Senior Management of Suryoday Small Finance Bank Limited.

For Suryoday Small Finance Bank Limited

Baskar Babu Ramachandran

Managing Director & CEO

(DIN: 02303132)

Place: Navi Mumbai

Date: August 01, 2024

CEO & CFO Certification

To,
The Board of Directors
Suryoday Small Finance Bank Limited

Dear Sir/Madam,

COMPLIANCE CERTIFICATE FOR THE QUARTER (Q4) AND FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015]

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. we have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

For Suryoday Small Finance Bank Limited

Place: Navi Mumbai
Date: May 09, 2024

Baskar Babu Ramachandran
Managing Director & CEO

Kanishka Chaudhary
Chief Financial Officer

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CORPORATE GOVERNANCE
REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015**

I have examined all the relevant records of Suryoday Small Finance Bank Limited (**the Bank**) for the purpose of certifying the compliance of the conditions of corporate governance by the Bank for the financial year ended March 31, 2024, as prescribed in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR**), as amended from time to time, pursuant to the Listing Agreement of the Bank with the National Stock exchange Limited and the BSE Limited. I have obtained all the information and explanations, which, to the best of my knowledge and belief, necessary for the purpose of this certification.

I state that the compliance of conditions of Corporate Governance is the responsibility of the management, and my examination was limited to procedures and implementation thereof adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In my opinion and to the best of my information and according to the explanations given to me and the representation provided, I certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the LODR for the financial year ended March 31, 2024.

I further state that such compliance is neither an assertion as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

This certificate is addressed and provided to the members of the Bank solely for the purpose of certification on the compliance of the abovementioned requirements of the LODR, and it should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

(Tushar Shridharani)

Place: Mumbai
Date: August 07, 2024

Practicing Company Secretary
FCS 2690 / COP 2190
Peer Review Certificate No.: 1509/2021
UDIN: F002690F000918979

Business Responsibility and Sustainability Reporting



SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

- I-1. Corporate Identity Number (CIN) of the listed entity-** L65923MH2008PLC261472
- I-2. Name of the listed entity-** SURYODAY SMALL FINANCE BANK LIMITED
- I-3. Year of incorporation-** 10/11/2008
- I-4. Registered office address-** Unit No.. 1101, Sharda Terraces, Plot No.65, Sector 11, CBD Belapur, Navi Mumbai 400614
- I-5. Corporate address -** Unit No 1101, Sharda Terraces, Plot No.65, Sector 11, CBD Belapur, Navi Mumbai 400614
- I-6. E-mail -** inv.relations@suryodaybank.com
- I-7. Telephone -** 022-41856700 022-40435800
- I-8. Website -** <https://www.suryodaybank.com/>
- I-9. Financial year for which reporting is being done -** FY 2023-24
- I-10. Name of the Stock Exchange(s) where shares are listed -** NSE & BSE
- I-11. Paid-up Capital -** 1062006980
- I-12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.**
- Mr. Himadri Das - Investor Relations
inv.relations@suryodaybank.com
Land line number: 022-41856700 022-40435800
- I-13. Reporting boundary -** Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). - Standalone Basis
- I-14. Name of assurance provider-** N/A
- I-15. Type of assurance obtained-** N/A

II. Products/services

II-16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	The Bank offers a range of deposit and loan products, to suit varying customer needs. These include Savings Accounts, Current Accounts, Fixed/Recurring Deposits, Microfinance Loans for Financial Inclusion, Affordable Housing Loans, Commercial Vehicle Loans, etc.	Financial service activities, other than Insurance	100%

II-17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	India's National Industrial Classification 2008(NIC 2008): Section K – Financial and Insurance Activities Division 64 – Financial service activities, except Insurance and pension funding Inclusive Finance Loans, Commercial Vehicle Finance Loans, Affordable Home Loans, Secured Business Loans. Demand Deposits, Time Deposits	As per Code: 64,191	100%

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	0	695	695
International	0	0	0

III-19. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	15
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil, As per the nature of business and services, exports as a activity is not applicable.

c. A brief on types of customers

The Bank's customer base is primarily comprised of the microfinance segment and also includes customers engaged in sectors such as MSME/SME, Agriculture and Allied Activities, Etc.

IV. Employees
IV-20. Details as at the end of Financial Year
a. Employees and workers (including differently abled):

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Employees						
1	Permanent (D)	7,440	6,696	90.00%	744	10.00%
2	Other than Permanent (E)	165	121	73.33%	44	26.67%
3	Total employees (D + E)	7,605	6,817	89.64%	788	10.36%
Workers						
1	Permanent (F)	0	0	0.0%	0	0.0%
2	Other than Permanent (G)	0	0	0.0%	0	0.0%
3	Total Workers (F + G)	0	0	0.0%	0	0.0%

IV-20. Details as at the end of Financial Year:
b. Differently abled Employees and workers:

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
Differently Abled Employees						
1	Permanent (D)	0	0	0.0%	0	0.0%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total differently abled employees (D + E)	0	0	0.0%	0	0.0%
Differently Abled Workers						
1	Permanent (F)	0	0	0.0%	0	0.0%
2	Other than Permanent (G)	0	0	0.0%	0	0.0%
3	Total Workers (F + G)	0	0	0.0%	0	0.0%



IV-21. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	9	1	11.11%
Key Management Personnel	4	0	0.00%

IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	38.49%	35.84%	38.23%	38.10%	44.58%	38.85%	42.07%	36.58%	41.64%
Permanent Workers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

V-23. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	NA	NA	NA	NA

VI. CSR Details

VI-24. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

VI-24. (ii). Turnover (in ₹).- 18,08,08,52,000

VI-24. (iii). Net worth (in ₹)- 18,04,95,81,000

VII. Transparency and Disclosures Compliances

VII-25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	0	0	0	0
Investors (other than shareholders)	No	0	0	0	0	0	0
Shareholders	No	0	0	0	0	0	0
Employees and workers	No	0	0	0	0	0	0
Customers	Yes, https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Policy_on_Customer_Service_FY23-24_1.0.pdf	13,773	218		13,545	630	

VII-26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Compliance with Regulatory oversight under The RBI Act 1949, The Companies Act 2013, The SEBI Act , specifically with respect to listing of shares on BSE and NSE	Opportunity	Critical aspect of both Banking Industry and as Corporate enterprise, and full compliance entails good reputation, commensurate business opportunity, investor support	0	Positive
2	Compliance with Regulatory oversight under The RBI Act 1949, The Companies Act 2013, The SEBI Act , specifically with respect to listing of shares on BSE and NSE	Risk	Non-compliance has financial, reputational and pecuniary risks such as penalties and regulatory strictures which can curb Board independence and Management of Business opportunities	The Bank conducts frequent reviews of the products and processes through various committees set under the Risk Management Committee	Negative
3	Financial Inclusion and inclusive Banking	Opportunity	The genesis of the Bank as micro-finance lending institution has meant that it has financial inclusion in its DNA. The Bank plays a crucial role in rural, semi-urban areas, as also the target segment which is unbanked, financially non-literate, economically weaker section.		Positive
4	Financial Inclusion and inclusive Banking	Risk	Unsecured lending and loan repayments collected through cash	Suitable pricing, Robust Credit Underwriting, Strong In-house Collection Team and Coverage under Credit Guarantee, Insurance, Audit Check, moving towards Standing Instruction Clearance	Negative
5	Transparency & Disclosure	Opportunity	Reputation Compliance Stakeholder involvement – as investor for economic benefits, As customer – for asset segment (viz fairness and customer orientation for deposit segment)	0	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Transparency & Disclosure	Risk	Limited to what is disclosed and/or not disclosed	All the policies are published on the Bank's website. Complete disclosure about product details to the customers at the time of disbursement. Bank also conducts periodic customer interaction and customer awareness programme.	Negative
7	Corporate Governance & Ethics	Opportunity	Basic and fundamental concept of Banking and ESG principles revolve around Corporate Governance and Ethics. The positive affects span across all stakeholders and has business implications	0	Positive
8	Corporate Governance & Ethics	Risk	Wrong perception, misconception and/or misinformation regarding the said aspect can have negative implications for business and management independence.	The Bank follows best in class governance practices.	Negative
9	Economic Performance and Financial Capital	Opportunity	Economic performance leads to enhancement in financial capital and vice versa. Both are crucial for business performance and crucial for nature of business / sector the Bank is functioning in.	0	Positive
10	Economic Performance and Financial Capital	Risk	Failure in one can constrain the other and vice versa	The Bank maintains adequate liquidity and capital buffer above the regulator prescribed limits.	Negative
11	Data Security	Opportunity	Appropriate and adequate safety systems create trust and confidence in the Bank Operations and its Management and generates customer satisfaction	0	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Data Security	Risk	Failure in any aspect can lead to regulatory censure and customer dissatisfaction	External Controls: Antivirus, Data Classification, Encryption, Application Control, Proxy, TACACS – Radius, NSX – Zero Trust, Decoy Internal Controls: Penetration Test, Dark-Web Monitor, Anti-Phishing, Brand Monitor, Malware Monitor, Rouge App Monitor, DDoS Service, Firewall, Intrusion Prevention	
13	Customer Privacy	Risk	Failure in any aspect can lead to regulatory censure and customer dissatisfaction	Masking of KYC documents, OTP enabled transactions, M-PIN enabled mobile login, Timely password change for digital banking	Negative
14	Customer Satisfaction	Opportunity	Appropriate customer orientation in products, policies, services, and communication; results in commensurate satisfaction.	0	Positive
15	Customer Satisfaction	Risk	Failure in any aspect can lead to loss of business opportunities and business traction	The Bank has put in place all the regulatory grievance redress mechanism and also proactively reaches out to customers through various mediums.	Negative
16	Risk Management	Opportunity	As a financial institution the Risk Management framework is critical in every respect to every stakeholder identified – internal and external. The Risk Management function reports to the MD&CEO and is independent of Operations and Business. The Bank is embarking on a detailed program to enhance its Risk Management Systems to include assessment on Environment Risk – transition and mitigation.	0	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17	Lending Practices	Opportunity	The Bank ensures that its lending practices and sales efforts are underlined with good and fair conduct- mainly ensuring non-mis-selling of products, transparency in terms and conditions, pro-active measures to ensure the customer interest is addressed upfront. The published marketing material and literature & statements are cogent, clear and non-ambiguous. The Bank is in the process of reviewing its policies and relevant frameworks are meant to abide by.	0	Positive
18	Consumption Emissions Reduction	Opportunity	As a reducing long-term operations cost and also positive perception of stakeholders such as investors. The proposal to systematically track emissions across Scope 1 and Scope 2 process are still being set, and once they are done targets will be developed and communicated.	0	Positive
19	Consumption Emissions Reduction	Risk	Failure to achieve and work towards climate amelioration, can create negative perception of Bank amongst its stakeholders.	The Bank plans to form an ESG Committee in the current fiscal to address this aspect.	Negative
20	Employee Training & Development	Opportunity	To attract and retain high quality talent across departments and regions of the Bank etc.	0	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
21	Employee Training & Development	Risk	Inadequate training and development can deter business development both in mid and long term, and result in employee attrition	The Bank has been regularly conducting digital and physical training for all employees both on internal products and processes, regulatory and business related updates, including behavioural trainings.	Negative
22	Community Engagement	Opportunity	The nature of business and customer segment the Bank caters to provides an opportunity for creating positive interface and has potential for business enhancement	0	Positive



SECTION B - MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	No	No	No	No	No	No	No	No	No
1. c. Web Link of the Policies, if available	1. https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Corporate%20Governance%20Policy_FY%2024-24-25_1.0.pdf	https://www.suryodaybank.com/assets/pdf/policies/Collection-and-Recovery-Policy-(1).pdf	https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Compensation_Policy_FY23-24_4.0.pdf	https://www.suryodaybank.com/assets/pdf/policies/Fair-Practices-Code.pdf	https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Corporate%20Governance%20Policy_FY%2024-25_1.0.pdf	https://www.suryodaybank.com/assets/pdf/policies/Social%20and%20Environmental%20Sustainability%20Policy_FY24-25_1.0%20.pdf	https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Corporate%20Governance%20Policy_FY%2024-25_1.0.pdf	https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Customer_Compensation_Policy_FY21-22_2.0.pdf	https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Customer_Redressal_Policy_FY23-24_1.0.pdf
2. Whether the entity has translated the policy into procedures. (Yes / No)	0	0	0	0	0	0	No	0	0
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, TruStea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	0	0	0	0	0	0	0	0	0
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank plans on developing and devising specific commitments and targets with defined timelines. https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Corporate_Governance_Policy_FY22-23_1.0.pdf , https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Familiarization_Programs_for_Independent_Director_FY22-23_1.0.pdf								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Periodic monitoring of the performance will be carried out once the targets and commitments are set.								

Governance, leadership and oversight

<p>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</p>	<p>ESG with for a clearer, transparent and deeper connect.</p> <p>The more we delve on ESG, the more it becomes clear that this path is not a question of choice, but an integral part of our existence. However small or miniscule the immediate results might seem, as a responsible entity and an active participant in the financial ecosystem, we are embarking on this journey. We are committed to taking steps that will help address the issues faced (as it relates to climate change, for example) and to making significant progress for a better tomorrow.</p> <p>We have taken certain initial steps such as digitization of processes in an effort to eliminate the use of paper, encouraging the use of sustainable glass bottles instead of plastic bottles, light sensors in the restrooms, etc.</p>
<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<p>1. DIN: 02303132</p> <p>2. Name: Mr. Baskar Babu Ramachandran</p> <p>3. Designation: Managing Director & Chief Executive Officer</p> <p>(b) Details of the BR head:</p> <p>1. DIN (if applicable): 02303132</p> <p>2. Name: Mr. Baskar Babu Ramachandran</p> <p>3. Designation: Managing Director & Chief Executive Officer</p> <p>4. Telephone number: 022-40438000</p> <p>5. e-mail id: baskar.babu@suryodaybank.com</p>
<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>No, however, the Bank has ESG Committee in place w.e.f May 06, 2024.</p>

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board	Committee of the Board

Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)							Yes		No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)							Yes		Yes
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)							No		No
It is planned to be done in the next financial year (Yes/No)							NA		Under Implementation
Any other reason (please specify)							NA		NA



SECTION C - PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

EI-1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	3	IT & Cybersecurity, Strategy, Managing Inclusive Finance. These combined efforts contribute to an up-to-date, productive, secure, and positive work environment.	56%
Key Managerial personnel	1	Strategy. The training enhances the key decision taking ability, improves the interpersonal skills and management skills.	100%
Employees other than BoD and KMPs	64	Functional & Behavioural training helps improve the communication skills, increases knowledge about the product offerings, sales skills and interpersonal skills.	100%
Workers	NA	0	NA

Remarks: 64 programmes for Employees other than BoD and KMPs are the number of different programmes, total number of sessions are 3,290.

EI-2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website)

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	0	0	0	0	0
Settlement	0	0	0	0	0
Compounding fee	0	0	0	0	0

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	0	0	0	0
Punishment	0	0	0	0

EI-3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
1	0	0

EI-4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.-

Yes, The Bank has put in place a Code of Conduct which covers all its employees. The Code articulates the ethical principles and acceptable behavior that the employees are expected to demonstrate throughout their tenure as employees of the organization. It also guides all employees to uphold the values of the Bank. The Code covers aspects related but not limited to ethics, accountability, conflict of interest, bribery and corruption. The Bank has also adopted Code of Conduct for Directors & Senior Management to provide a framework to the Board members and Senior Management in ensuring adoption of highest ethical standards in managing the affairs of the Bank. The Bank's commitment to ethics and accountability is emphasized upon in interactions with all its stakeholders. Code of Conduct for Directors and Senior Management of the Bank: https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Whistle_Blower_Policy_FY22_23_1.0.pdf

EI-5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	(Current Financial Year)	(Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

EI-6. Details of complaints with regard to conflict of interest:

Category	Number (CY)	Remarks (CY)	Number (PY)	Remarks (PY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	0	0

EI-7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.- N/A

EI-8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Number of days of accounts payables	2.3	6.7

EI-9. Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format. Concentration of Purchases-

Parameter	Metrics	FY2023-24	FY2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

Remarks: N/A

Remarks: N/A



Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	0	0	0

LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same. -

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

EI-1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	0
Capex	0	0	0

EI-2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)- No

EI-2. b. If yes, what percentage of inputs were sourced sustainably?- N/A

EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.- N/A

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.- N/A

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
1	0	0	0	0	0	0

LI-2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
1	0	0	0

LI-3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2023-24	FY2022-23

LI-4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2023-24			FY2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

LI-5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

S. No.	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	0	0

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

EI-1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	6,696	6,696	100.00%	6,696	100.00%	0	0.00%	6,696	100%	0	0.00%
Female	744	744	100.00%	744	100.00%	744	100%	0	0.00%	0	0.00%
Total	7,440	7,440	100.00%	7,440	100.00%	744	10%	6,696	90%	0	0.00%
Other than permanent Employees											
Male	121	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	44	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	165	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

EI-1. b. Details of measures for the well-being of workers.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other than permanent Workers											
Male	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

EI-1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	Current Financial Year	Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0	0

EI-2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	100	0	Y	100	0	Y
Gratuity	100	0	Y	100	0	Y
ESI	NA	NA	NA	NA	NA	NA
Others – please specify	NA	NA	NA	NA	NA	NA

EI-3. Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.- The Bank has made conscious efforts in this direction at its Corporate Office and intends to take similar measures across its branches in the future.

EI-4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.- Yes, Equal Opportunity is covered under the Bank’s Employee Policy. The web link is not available since it is covered in the Internal HR policy.

EI-5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100.00%	75.00%	NA	NA
Female	87.50%	85.71%	NA	NA
Total	98.65%	84.71%	NA	NA

EI-6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	N/A
Other than Permanent Workers	N/A
Permanent Employees	Yes. The employees can reach out to their reporting manager and the HR department.
Other than Permanent Employees	Yes. The employees can reach out to their reporting manager and the HR department.

EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023-24			FY2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union(D)	%(D / C)
Total Permanent Employees	7,440	0	0.00%	6,025	0	0.00%
- Male	6,696	0	0.00%	5,536	0	0.00%
- Female	744	0	0.00%	489	0	0.00%
Total Permanent Workers	0	0	0.0%	0	0	0.0%
- Male	0	0	0.0%	0	0	0.0%
- Female	0	0	0.0%	0	0	0.0%

EI-8. Details of training given to employees and workers:

Category	FY2023-24					FY2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	6,817	5,270	77.31%	4,116	60.38%	5,649	3,654	64.68%	3,704	65.57%
Female	788	614	77.92%	391	49.62%	527	405	76.85%	295	55.98%
Total	7,605	5,884	77.37%	4,507	59.26%	6,176	4,059	65.72%	3,999	64.75%
Workers										
Male	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%

EI-9. Details of performance and career development reviews of employees and worker:

Category	FY2023-24			FY2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	6,817	6,817	100%	5,649	5,649	100%
Female	788	788	100%	527	527	100%
Total	7,605	7,605	100%	6,176	6,716	100%
Workers						
Male	0	0	0.0%	0	0	0.0%
Female	0	0	0.0%	0	0	0.0%
Total	0	0	NaN%	0	0	NaN%

EI-10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?- Yes. All branches and offices have CCTV cameras and fire extinguishers. Mock drills are performed periodically.

EI-10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?- Fire safety hazards are identified at periodic intervals and mock drills are conducted for emergency preparedness.

EI-10.c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)- The Bank continuously monitors potential work related hazards and takes necessary action may be required. In respect of any Work-related incidents and potent, are reported to the respective HR and Admin point of contacts by employees.

EI-10.d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)-

Yes

EI-11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2023-24	FY2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.-

- The Bank has enhanced the coverage for critical illnesses in the Group Medical Cover
- Conducted annual health check-ups, blood donation camps, eye and dental checkup camps.
- Organised multiple webinars on health and nutrition
- The Bank has also undertaken several programmes to enhance gender diversity and inclusivity, including creating awareness about the POSH Act
- CCTV Camera and Fire extinguishers are in place at branches and offices.

EI-13. Number of Complaints on the following made by employees and workers:

Category	FY2023-24			FY2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	null	0	0	
Health & Safety	0	0	null	0	0	

EI-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	N/A
Working Conditions	N/A

EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.- Nil

Leadership Indicators

LI-1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).-

LI-2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.-

LI-3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023-24	FY2022-23	FY2023-24	FY2022-23
Employees				
Workers				

LI-4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)-

LI-5. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0
Working Conditions	0

LI-6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.-

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

EI-1. Describe the processes for identifying key stakeholder groups of the entity.-

The Bank has its roots in micro-finance and hence has various outreach and enablement linkages which provide insight into the grass root level stakeholders. As regards other stakeholders, the Bank has defined relevant key stakeholders according to its business profile and corporate profile. The ESG Committee, which is proposed to be set up, would be tasked with the mandate to further develop this program as may be required.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Communities	The identifies its business model with grass root level enterprises promoted by women, underprivileged and socially backward areas, persons with disabilities, etc.	Across various modes	Frequently through outreach	Awareness building and inclusive financing
2	Investors	No	Interactive and well defined formats of communication and engagement	Quarterly or as required	Quarterly or as required
3	Employees	No	Interactive and well defined formats of communication and engagement	Frequently through outreach	Engagement and outreach
4	Customers	No	Across various modes	Frequently through outreach	Awareness building and inclusive financing

Leadership Indicators

LI-1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.-

LI-2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.-

LI-3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.-

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

EI-1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2023-24			FY2022-23		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total(C)	No. of employees / workers covered (D)	%(D / C)
Employees						
Permanent	7,440	7,440	100.00%	6,025	6,025	100.00%
Other than permanent	1,746	1,746	1,058.18%	1,924	1,924	1,274.17%
Total Employees	9,186	9,186	120.79%	7,949	7,949	128.71%
Workers						
Permanent	0		0.0%	0		0.0%
Other than permanent	0		0.0%	0		0.0%
Total Workers	0	NaN	0.0%	0	NaN	0.0%

EI-2. Details of minimum wages paid to employees, in the following format:

Category	FY2023-24					FY2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	7,440	794	10.67%	6,646	89.33%	6,025	734	12.18%	5,291	87.82%
Male	6,696	729	10.89%	5,967	89.11%	5,536	686	12.39%	4,850	87.61%
Female	744	65	8.74%	679	91.26%	489	48	9.82%	441	90.18%
Other than Permanent	165	5	165	160	9.16%	151	1	0.66%	150	99.34%
Male	121	2	1.65%	119	98.35%	113	1	0.88%	112	99.12%
Female	44	3	6.82%	41	93.18%	38	0	0.00%	38	100.00%
Workers										
Permanent	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Male	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Other than Permanent	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Male	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Female	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%

EI-3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	19,90,000	1	12,40,000
Key Managerial Personnel	3	1,20,00,000	0	0
Employees other than BoD and KMP	6,693	2,82,888	744	3,04,770
Workers	0	0	0	0

EI-3. b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	9.92%	9.42%

EI-4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)- No. There has been a delay in forming the committee, the Bank is working on instituting during the FY25.

EI-5. Describe the internal mechanisms in place to redress grievances related to human rights issues.- Human rights are paramount at Suryoday Bank, where adherence to ethical principles and respect for human dignity are core values. The Bank maintains strict policies to ensure that human rights are upheld across all operations and interactions. By fostering a culture of inclusivity and respect, the Bank not only complies with regulatory standards but also sets a benchmark for ethical banking practices that prioritize human rights above all.

EI-6. Number of Complaints on the following made by employees and workers:

Category	FY2023-24			FY2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	0		1	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

EI-7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	3	1
Complaints on POSH as a % of female employees / workers	0.297	0.135
Complaints on POSH upheld	0	0

EI-8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.- The Bank has Code of Conduct Committee which addresses such issues.

EI-9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)- The Bank has Code of Conduct Committee which addresses such issues.

EI-10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.- N/A. Assessments have not been conducted.

Leadership Indicators

LI-1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.-

LI-2. Details of the scope and coverage of any Human rights due-diligence conducted.-

LI-3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?-

LI-4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour/Involuntary Labour	0
Wages	0
Others – please specify	0

LI-5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.-

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

EI-1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	0.00	0.00
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	0.00	0.00
Total energy consumed from renewable sources (A+B+C)	0.00	0.00
From non-renewable sources		
Total electricity consumption (D)	8,241.15	7,836.97
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	8,241.15	7,836.97
Total energy consumed (A+B+C+D+E+F)	8,241.15	7,836.97
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	125.01 KL/ Crore	108.73 KL/ Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	2800.20 KL/ \$ Crore	2410.13 KL/ \$ Crore
Energy intensity in terms of physical output	NaN GJ / 0000	NaN GJ / 0000
Energy intensity (optional) – the relevant metric may be selected by the entity	NaN	NaN

Remark: For FY2022-23 and FY 2023-24, the electricity consumption has been estimated from purchase records using national data sources and accepted standards.

EI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.- No

EI-3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	2,26,027	1,9,289.28
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	NaN	NaN
Total volume of water consumption (in kilolitres)	2,26,027	1,9,289.28
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000 KL / Crore	0.0000 KL / Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NaN KL / Crore	NaN KL / Crore
Water intensity in terms of physical output	NaN KL / 0000	NaN KL / 0000
Water intensity (optional) – the relevant metric may be selected by the entity. KL / of	NaN	NaN

Remarks: The Bank has refined its approach to calculating water consumption due to the unavailability of data from all branches. In FY 2022-23, water consumption was estimated using purchase records along with state-level data sources and recognized standards. For FY 2023-24, water consumption figures have been estimated based on employee numbers. The Bank maintains precise consumption data for the Head Office; by applying the employee count and water usage figures from this location, we have calculated the water consumption for the entire organization. Moving forward, we plan to adopt a cost-based calculation method for accurate and consistent data.

EI-3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

EI-4. Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres)

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
	N/A	N/A
(ii) To Groundwater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
	N/A	N/A
(iii) To Seawater		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
	N/A	N/A
(iv) Sent to third-parties		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
	N/A	N/A
(v) Others		
- No treatment	0	0
With treatment – please specify level of treatment	0	0
	N/A	N/A
Total water discharged (in kilolitres)	0	0

Remarks: As of now, the company is not tracking water discharge data, but we have planned to implement tracking in the coming years.

EI-4. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- N/A

EI-5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.- No

EI- 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	0	0	0
SOx	0	0	0
Particulate matter (PM)	0	0	0
Persistent organic pollutants (POP)	0	0	0
Volatile organic compounds (VOC)	0	0	0
Hazardous air pollutants (HAP)	0	0	0
Others – please specify	0	0	0

Remarks: The nature of the business and activities of the Company, there are no other air emissions apart from GHG on account of power consumption and commuting of its employees.

EI-6. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO2E & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO ₂ e		
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO ₂ e		
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO ₂ e / rupee of turnover	0	0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO ₂ e / rupee of turnover	0	0
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO ₂ e / rupee of turnover	0	0
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	TCO ₂ e / of	0	0

Remarks: For FY 2022-23 and 2023-24, the electricity consumption has been estimated from purchase records using national data sources and accepted standards. The emissions and associated intensity have only been estimated for electricity. Going forward, this process will become more frequent.

EI-7. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.- No

EI-9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste(B)	0	0
Bio-medical waste (C)	N/A	N/A
Construction and demolition waste (D)	N/A	N/A
Battery waste (E)	N/A	N/A
Radioactive waste (F)	N/A	N/A
Other Hazardous waste. Please specify, if any. (G)	N/A	N/A
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	N/A	N/A
Total (A + B + C + D + E + F + G + H)	0	0

Parameter	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	NaN MT / Crore	NaN MT / Crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)	NaN MT / Crore	NaN MT / Crore
Waste intensity in terms of physical output	NaN MT / 0000	NaN MT / 0000
Waste intensity (optional) the relevant metric may be selected by the entity	NaN}	NaN
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0.00	0.00
Category of waste - E-Waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0.00	0.00
Category of waste - Bio-medical waste		
(i) Recycled	N/A	N/A
(ii) Re-used	N/A	N/A
(iii) Other recovery operations	N/A	N/A
Total	N/A	N/A
Category of waste - Construction and demolition waste		
(i) Recycled	N/A	N/A
(ii) Re-used	N/A	N/A
(iii) Other recovery operations	N/A	N/A
Total	N/A	N/A
Category of waste - Battery waste		
(i) Recycled	N/A	N/A
(ii) Re-used	N/A	N/A
(iii) Other recovery operations	N/A	N/A
Total	N/A	N/A
Category of waste - Radioactive waste		
(i) Recycled	N/A	N/A
(ii) Re-used	N/A	N/A
(iii) Other recovery operations	N/A	N/A
Total	N/A	N/A
Category of waste - Other Hazardous waste		
(i) Recycled	N/A	N/A
(ii) Re-used	N/A	N/A
(iii) Other recovery operations	N/A	N/A
Total	N/A	N/A
Category of waste - Other Non-Hazardous waste		
(i) Recycled	N/A	N/A
(ii) Re-used	N/A	N/A
(iii) Other recovery operations	N/A	N/A
Total	N/A	N/A
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0
Category of waste - E-Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Parameter	FY 2023-24	FY 2022-23
Category of waste - Bio-medical Waste		
(i) Incineration	N/A	N/A
(ii) Landfilling	N/A	N/A
(iii) Other disposal operations	N/A	N/A
Total	N/A	N/A
Category of waste - Construction and demolition waste		
(i) Incineration	N/A	N/A
(ii) Landfilling	N/A	N/A
(iii) Other disposal operations	N/A	N/A
Total	N/A	N/A
Category of waste - Battery		
(i) Incineration	N/A	N/A
(ii) Landfilling	N/A	N/A
(iii) Other disposal operations	N/A	N/A
Total	N/A	N/A
Category of waste - Radioactive		
(i) Incineration	N/A	N/A
(ii) Landfilling	N/A	N/A
(iii) Other disposal operations	N/A	N/A
Total	N/A	N/A
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration	N/A	N/A
(ii) Landfilling	N/A	N/A
(iii) Other disposal operations	N/A	N/A
Total	N/A	N/A
Category of waste - Other Non-hazardous waste generated		
(i) Incineration	N/A	N/A
(ii) Landfilling	N/A	N/A
(iii) Other disposal operations	N/A	N/A
Total	N/A	N/A

Remark: As a financial services provider, the waste that is generated is paper, e-waste and plastic. While we are currently not tracking the amount of waste generated, e-waste and batteries are handed over to authorised recyclers. We will work towards developing processes to track this for all the applicable categories.

EI-9. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.- The bank has adopted digital onboarding of customers for both the deposit and asset franchise thereby minimizing usage of paper. The Bank has a facility for employees at the Corporate Office to deposit their electronic waste such as batteries for safe disposal. The Bank has introduced glass water bottles and cups in place of plastic bottles and paper cups.

EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	N/A	N/A	N/A

EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	N/A	N/A	N/A	N/A	N/A	N/A

EI-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Refer remarks below	0	0	0

Remarks: The Company ensures that it follows the norms and local laws as applicable at its various branches/offices pan-India. It has not anyway /in any particular case or event been called upon for any non-compliances or been penalised in anyway.

Leadership Indicators

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (i) Name of the area-

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): (ii) Nature of operations-

LI-1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Water withdrawal, and consumption in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	NaN	NaN
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000 KL / Crore	0.0000 KL / Crore
Water intensity (optional) – the relevant metric may be selected by the entity.KL / of	NaN	NaN
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment	CY:	PY:
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment	CY:	PY:
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment	CY:	PY:
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment	CY:	PY:
(v) Others		
- No treatment		
- With treatment – please specify level of treatment	CY:	PY:
Total water discharged (in kilolitres)	NaN	NaN

LI-1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

LI-2. Please provide details of total Scope 3 emissions (MTCO2E) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MTCO2E	0	0
Total Scope 3 emissions per rupee of turnover	MTCO2E	0	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	MTCO2E	0	0

LI-2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-

LI-3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.-

LI-4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

LI-5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.-

LI-6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.-

LI-7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.-



PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

EI-1.a. Number of affiliations with trade and industry chambers/ associations.- 4

EI-1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. NO	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Indian Banks Association	National
2	FIMMDA	National
3	MFIN	National
4	ASFBI	National
5	0	0
6	0	0
7	0	0
8	0	0
9	0	0
10	0	0

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Sr. No	Name of authority	Brief of the case	Corrective action taken
1	0	0	0

Remarks: Not applicable. The Bank does not subscribe to and/or employ any measures which are akin to public policy advocacy or that of attempting to influence policy in favour of the Bank. The Bank's Management contributes at industry fora its mission and vision strategy.

Leadership Indicators

LI-1. Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	0	0	0	0	0

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

EI-1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	0	0	0	0	0	0

Remarks: The Bank does not undertake any projects nor has borrowing which requires social impact assessments. The Bank however, intends to make a broad based assessment impacts created by its lending policy and products. This project is being conceptualised and is likely to commence in FY25.

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	0	0	0	0	0	0

EI-3. Describe the mechanisms to receive and redress grievances of the community.-

The Bank has mentioned in the customer service SOP that the customer may walk up to branch or contact the call centre to report any complaint. The Officer at the Branch or Call Centre would understand the exact complaint and raise a Service Request for further follow up and timely closure. Once resolution is received, the customer is informed and the complaint closed in the system post customer confirmation.

EI-4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	N/A	N/A
Sourced directly from within India	N/A	N/A

EI-5. Job creation in smaller towns- Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	Current Financial Year	Previous Financial Year
Rural	5.45%	6.97%
Semi-urban	19.78%	20.24%
Urban	21.45%	22.80%
Metropolitan	53.33%	50.00%

Leadership Indicators

LI-1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

S. NO	Details of negative social impact identified	Corrective action taken
1	0	0

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. NO	State	Aspirational District	Amount spent (In INR)
1	0	0	0

LI-3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)-

LI-3. b. From which marginalized /vulnerable groups do you procure?-

LI-3. c. What percentage of total procurement (by value) does it constitute?-

LI-4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. NO	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	0	0	0	0

LI-5. Details of corrective actions taken or underway, based on any adverse order in intellectual property-related disputes wherein usage of traditional knowledge is involved.

S. NO	Name of authority	Brief of the Case	Corrective action taken
1	0	0	0

LI-6. Details of beneficiaries of CSR Projects:

S. NO	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	0	0	0

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

EI-1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.-

The Bank has suitable grievance redress mechanism in place and also has a toll-free number where the customer can lodge a complaint or provide their feedback. A dedicated customer service team addresses the customer complaints and feedbacks. The customers can also use internet banking and mobile banking applications to raise their queries, complaints and feedbacks, in addition to the traditional approach of raising such issues through the branch banking network.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	N/A
Safe and responsible usage	N/A
Recycling and/or safe disposal	N/A

Remarks: Not Applicable as per the nature of the business The Bank believes that it has a critical role to carry out in furthering financial inclusion in the nation to accomplish inclusive and equitable growth. the Bank caters to those who do not have access to formal system of finance and helps such unbanked and underbanked people by offering loan products such as Joint Liability Group loans, loans for , Affordable housing, Savings Accounts, Recurring Deposits, etc. The Bank principally deals with financially vulnerable sections of the society and hence it is even more mindful and responsible in its lending practices.

EI-3. Number of consumer complaints in respect of the following:

	FY2023-24			FY2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	0	0	Nil	0	0	Nil

EI-4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	0	N/A
Forced recalls	0	N/A

EI-5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.-

The Bank follows a highly structured and regulated framework on cyber security and ensures that cyber security related risks (example data privacy) as also safety and security of banking operations for customers via internet banking or branch banking is optimally secure and safe.



EI-6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.-

Not applicable- No cases that related to relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

EI-7. Provide the following information relating to data breaches

- a. Number of instances of data breaches along-with impact- 0
- b. Percentage of data breaches involving personally identifiable information of customers- 0
- c. Impact, if any, of the data breaches- N/A

Leadership Indicators

LI-1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).-

LI-2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.-

LI-3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.-

LI-4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)-

Independent Auditor's Report

To the Members of **Suryoday Small Finance Bank Limited**
 Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Suryoday Small Finance Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. 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 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2024, and its profit and its cash flows for the year ended on that date.
5. We have determined the matters described below to be the key audit matters to be communicated in our report

Identification of Non-Performing Advances (NPA) and provisioning and write off for loans and advances

As at 31 March 2024, the Bank reported total loans and advances (net of provisions) of ₹ 8,078 crores (2023: 6,015 crores), gross NPAs of ₹ 242 crores (2023: ₹ 191 crores), and provision for non-performing assets (including floating provision) of ₹ 173 crores (2023: ₹ 98 crores). The Bank has written off loans of ₹ 103 crores during the year ended 31 March 2024 (2023: ₹ 275 crores).

The provision coverage ratio as at 31 March 2024 is 71% (2023: 51%).

[Refer schedules 9, schedule 17, and 18(4)]

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Key Audit Matter	How our audit addressed the key audit matter
<p>Identification of NPA and measurement of provision for loans and advances is made based on the assessment of various criteria stipulated in the Reserve Bank of India ('RBI') guidelines on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP').</p> <p>The Bank is required to have a Board approved policy as per the IRACP guidelines for NPA identification and provision and write off for loans and advances.</p> <p>The IRACP guidelines stipulate the requirement to identify NPA through defined criteria such as past due status, out of order status etc. Provisions in respect of such NPAs are made based on minimum provisioning levels prescribed under the IRACP and Bank's internal credit policy. The provision on NPAs are also based on the valuation of the security available. NPA classification is made borrower wise whereby if one facility to the borrower becomes an NPA then all facilities to such a borrower will be treated as an NPA</p>	<p>Our audit procedures included but were not limited to the following:</p> <p>Design/Controls</p> <p>Understood the process and controls and tested the design and operating effectiveness of key internal controls (including application controls) over:</p> <ul style="list-style-type: none"> • Approval, recording and recovery of loans; • Monitoring process for overdue loans • Identification and classification of NPA in line with IRACP guidelines; and • Measurement of provision on loans and advances in line with IRACP guidelines including valuation of security and collateral against loans.

Key Audit Matter	How our audit addressed the key audit matter
<p>The Bank is also required to apply its judgement to determine the identification of NPA and provision required for loans and advances by applying quantitative as well as qualitative factors. The risk of identification of NPA is affected by factors like stress and liquidity concerns in certain sectors, profile of borrowers etc. Similarly, the Bank is also required to make judgements to identify the loans and advances which are non-recoverable and thereby determined to be written off.</p> <p>Considering the significance of the above matter to the financial statements, the heightened regulatory compliances, and significant auditor attention required, we have identified this as a key audit matter for the current year audit.</p>	<p>Substantive procedures</p> <ul style="list-style-type: none"> • Evaluated the Bank's accounting and internal policies for identification of NPAs and provisioning and write off on loans and advances; • For borrowers, assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of ageing, assessment of borrower level NPA identification and verification of applicable provision rates as per IRACP norms and Bank's Policy on test check basis; • Verified performing loans on test check basis to assess whether they should be classified as NPA; • Performed inquiries with the Management of the Bank to ascertain if there were indicators of stress, perceived credit risk or occurrence of an event of default in any particular class of borrowers, product category or loan account that warrants NPA assessment; • Verified on a sample basis that the loan write-offs during the year is in accordance with Board approved policy; • Obtained and read communications with regulators during the year • Assessed disclosures included in the financial statements in respect of asset classifications and provisioning, including specific disclosures made in accordance with the requirements of the RBI Master Directions

Information Technology ("IT") Systems and Controls for the financial reporting process

Key Audit Matter	How our audit addressed the key audit matter
<p>The IT environment of the Bank is complex as it involves a number of independent and inter-dependent IT systems which are used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations on a daily basis.</p> <p>As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank which impacts key financial accounting and reporting items such as loans, interest income, provision on loans amongst others. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>Our area of audit focus for the IT systems and the related control environment included:</p> <ul style="list-style-type: none"> • IT general controls over user access management and change management across applications, networks, database, and operating systems; • IT application controls (automated controls) relevant for financial reporting. 	<p>We included specialized IT auditors as part of our audit team to perform audit procedures which included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Bank's IT related control environment and conducted risk assessment and identified IT applications, networks, databases and operating systems that are relevant to our audit. Also, obtained an understanding of the changes that were made to the identified IT applications during the audit period and tested those changes that had a significant impact on financial reporting. • Tested IT general controls particularly access rights over applications, change management across identified applications, password policies, security configuration etc. We also assessed the design and operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel.

Key Audit Matter

Accordingly, due to the importance of the impact of the IT systems and automated controls, new system implementation and related control environment on the Bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.

How our audit addressed the key audit matter

- Tested related interfaces, configuration and other application layer controls identified during our audit mainly for loans, interest income, provision for loan assets, deposits amongst others, for evaluating completeness and accuracy;
- Where deficiencies were identified, tested compensating controls or performed alternative procedures.

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 included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. The accompanying financial statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the Board of Directors 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.
8. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, 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 adequate internal financial controls with reference to financial statements 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 Board of Directors' 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; and
 - 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.
 - 11. 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.
 - 12. 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.
 - 13. 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 period 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**
- 14. 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.
 - 15. 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) We have visited 30 branches to examine the books of accounts and other records maintained at the branch for the purpose of our audit. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out at centrally as all the necessary records and data required for the purposes of our audit are available therein.
 - 16. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.
 - 17. Further, as required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements

of the Bank as on 31 March 2024 and operating effectiveness of such controls, refer to our separate report in Annexure A wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Bank, as detailed in schedule 12 and schedule 18 - note (20)(b) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
- ii. The Bank has made provision as at 31 March 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Bank does not have any derivative contracts as at 31 March 2024;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2024;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 20(w)(i) to the financial statements, 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 person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 20(w)(ii) to the financial statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Bank has not declared or paid any dividend during the year ended 31 March 2024.
- vi. Based on our examination which included test checks, the Bank, in respect of financial year commencing on or after 01 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

UDIN: 24105782BKFIZZ3010

Place: Mumbai

Date: 09 May 2024



Annexure A referred to in paragraph '17(f)' under the heading "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of Suryoday Small Finance Bank Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's 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')

1. In conjunction with our audit of the financial statements of Suryoday Small Finance Bank Limited ('the Bank') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Bank as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Bank's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Bank considering the essential components of internal controls 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 the Bank's business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A bank's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Bank considering the essential components of internal controls stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 24105782BKFIZZ3010

Place: Mumbai
Date: 09 May 2024

Balance Sheet

as at March 31, 2024

(₹ in '000)

	Schedule	As at March 31, 2024	As at March 31, 2023
CAPITAL AND LIABILITIES			
Capital	1	10,62,007	10,61,587
Reserves and Surplus	2	1,69,87,574	1,47,85,688
Deposits	3	7,77,72,675	5,16,67,199
Borrowings	4	2,44,29,800	2,76,54,139
Other liabilities and provisions	5	35,24,791	34,43,599
TOTAL		12,37,76,847	9,86,12,212
ASSETS			
Cash and balances with Reserve Bank of India	6	81,37,811	78,42,266
Balances with banks and money at call and short notice	7	36,62,930	4,09,256
Investments	8	2,59,92,968	2,57,01,865
Advances	9	8,07,79,700	6,01,50,511
Fixed Assets	10	16,87,932	16,44,775
Other Assets	11	35,15,506	28,63,539
TOTAL		12,37,76,847	9,86,12,212
Contingent liabilities	12	43,755	2,22,919
Bills for collection		-	-
Significant accounting policies and Notes to accounts	17 & 18		

The schedules referred to above form an integral part of the balance sheet

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No: 105782

Place: Place: Navi Mumbai

Date: May 09, 2024

For and on behalf of the Board of Directors

Suryoday Small Finance Bank Limited

Krishna Nair Prasad

Chairperson

DIN-02611496

Krishna Kant Chaturvedi

Company Secretary

Baskar Babu Ramachandran

Managing Director and

Chief Executive Officer

DIN-02303132

Kanishka Chaudhary

Chief Financial Officer

Jyotin Mehta

Director

DIN-00033518



Profit and Loss Account

for the year ended March 31, 2024

(₹ in '000)

	Schedule	Year ended March 31, 2024	Year ended March 31, 2023
I. INCOME			
Interest earned	13	1,58,87,008	1,18,36,821
Other income	14	21,93,844	9,74,224
TOTAL		1,80,80,852	1,28,11,045
II. EXPENDITURE			
Interest expended	15	62,64,687	43,71,081
Operating expenses	16	72,77,050	50,65,385
Provisions and contingencies		23,79,527	25,97,670
TOTAL		1,59,21,264	1,20,34,136
III. PROFIT			
Net profit for the year		21,59,588	7,76,909
Net balance in profit and loss account brought forward		15,13,877	11,19,623
TOTAL		36,73,465	18,96,532
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		5,39,897	1,94,227
Transfer (from)/ to Investment Fluctuation Reserve		(45,601)	1,88,428
Transfer to Capital Reserve		-	-
Balance carried over to Balance Sheet		31,79,169	15,13,877
TOTAL		36,73,465	18,96,532
V. EARNINGS PER EQUITY SHARE (Face value of ₹ 10 per share)			
Basic	18	20.34	7.32
Diluted	18	20.15	7.32
Significant accounting policies and Notes to accounts	17 & 18		

The schedules referred to above form an integral part of the Profit and Loss Account
As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Sudhir N. Pillai
Partner
Membership No: 105782

Krishna Nair Prasad
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and
Chief Executive Officer
DIN-02303132

Jyotin Mehta
Director
DIN-00033518

Place: Navi Mumbai
Date: May 09, 2024

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2024

(₹ in '000)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Cash flows from operating activities		
Net profit before tax	28,75,728	10,08,562
Adjustments for:		
Depreciation on fixed assets	5,13,463	4,33,304
Provision for non performing assets	5,80,588	3,98,788
Provision for standard assets	53,821	39,165
Write off of advances	7,86,585	24,10,709
Reversal of provision on depreciation on investment	(1,24,873)	(1,45,458)
Other provision	(48,190)	(6,51,088)
(Profit)/Loss on sale of fixed assets	(80)	531
Amortisation of premium on held to maturity investment	28,923	28,228
Employee stock option expenses	37,584	25,292
Floating provision	1,58,514	1,78,436
Loss on transfer of stressed assets	-	2,15,271
Provision on Security receipts (ARC)	2,62,030	-
	51,24,093	39,41,741
Adjustments for:		
Decrease / (Increase) in investments	15,65,167	(33,30,338)
Increase in advances	(2,21,50,270)	(1,57,75,115)
Increase in deposits	2,61,05,476	1,31,28,371
Increase in others assets	(12,20,885)	(2,42,319)
Increase in other liabilities and provisions	66,418	12,87,255
	43,65,906	(49,32,146)
Direct taxes paid (net of refunds)	(1,42,686)	13,402
Net cash flow from/ (used in) operating activities	93,47,313	(9,77,003)
Cash flow from investing activities		
Purchase of fixed assets (Including capital work in progress)	(5,56,697)	(9,26,353)
Proceeds from sale of fixed assets	158	133
Investment in fixed deposits	(54,678)	(53,368)
Net investment in banking book	(27,37,312)	(6,90,921)
Investment in security receipts	-	(11,48,350)
Security receipts redeemed	7,14,962	1,61,879
Net cash used in investing activities	(26,33,567)	(26,56,980)
Cash flow from financing activities		
Proceeds from issue of share capital (inclusive of issue expense)	5,133	(6,104)
(Repayment of) / Proceeds from borrowings	(32,24,339)	21,40,789
Net cash flow (used in)/from financing activities	(32,19,206)	21,34,685
Net increase/(decrease) in cash and cash equivalents	34,94,540	(14,99,298)
Cash and cash equivalents at the beginning of the year	82,41,826	97,41,124



Cash Flow Statement

for the year ended March 31, 2024

(₹ in '000)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Cash and cash equivalents at the end of the year (Refer note below)	1,17,36,366	82,41,826
Note:		
Components of cash and cash equivalents:		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	81,37,811	78,42,266
Balances with banks in current Accounts (Refer Schedule 7 I (i) (a))	3,83,242	3,99,560
Money at call and short notice (Refer Schedule 7 I (ii))	32,15,313	-
Cash and cash equivalents at the end of the year	1,17,36,366	82,41,826

As per our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

Place: Navi Mumbai
Date: May 09, 2024

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Krishna Nair Prasad
Chairperson
DIN-02611496

Krishna Kant Chaturvedi
Company Secretary

Baskar Babu Ramachandran
Managing Director and
Chief Executive Officer
DIN-02303132

Kanishka Chaudhary
Chief Financial Officer

Jyotin Mehta
Director
DIN-00033518

Schedules forming part of the Balance Sheet

as at March 31, 2024

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 1 - CAPITAL

	As at March 31, 2024	As at March 31, 2023
Authorised Capital		
150,000,000 (March 31, 2023: 125,000,000) equity shares of ₹ 10 each	15,00,000	12,50,000
Issued, Subscribed and Paid-up Capital		
106,200,698 (March 31, 2023: 106,158,749) equity shares of ₹ 10 each fully paid up	10,62,007	10,61,587
Total	10,62,007	10,61,587

SCHEDULE 2 - RESERVES AND SURPLUS

	As at March 31, 2024	As at March 31, 2023
I. Statutory Reserve¹		
Opening balance	8,93,853	6,99,626
Addition during the period [Refer note - 18(1)(c)(i)]	5,39,897	1,94,227
Total	14,33,750	8,93,853
II. Capital Reserve		
Opening balance	13,857	13,857
Addition during the period [Refer note - 18(1)(c)(ii)]	-	-
Total	13,857	13,857
III. Share Premium		
Opening balance	1,18,65,295	1,18,71,399
Addition during the period	4,713	-
Transfer from Employee Stock Options Reserve on exercise of stock options	2,455	-
Amounts utilized toward share issue expenses [Refer note - 18(1)(b)]	-	(6,104)
Total	1,18,72,463	1,18,65,295
IV. General Reserve		
Opening balance	53,549	23,953
Addition during the period	21,918	29,596
Total	75,467	53,549
V. Employee Stock Options Reserve		
Opening balance	87,796	92,100
Employee compensation expense for the period	37,585	25,292
Transfer to Share Premium Account/Share Capital on exercise of stock options	(2,455)	-
Transfer to General Reserve for Non- exercise of ESOP's	(21,918)	(29,596)
Total	1,01,008	87,796
VI. Investment Reserve		
Opening balance	-	-
Addition during the period	-	-
Total	-	-
VII. Investment Fluctuation Reserve²		
Opening balance	3,57,461	1,69,033
Addition during the period [Refer note - 18(1)(c)(iii)]	(45,601)	1,88,428
Total	3,11,860	3,57,461
VIII. Balance in Profit and Loss Account		
Balance brought from Profit and Loss	31,79,168	15,13,877
Total	31,79,168	15,13,877
Total (I+II+III+IV+V+VI+VII+VIII)	1,69,87,574	1,47,85,688

1 Statutory reserve has been created pursuant to section 17(1) and section 11(2)(b)(ii) of Banking Regulation Act, 1949. Also, refer note 18 (1)(c)(i).

Schedules forming part of the Balance Sheet

as at March 31, 2024

(All amounts are in Indian Rupees in thousands unless otherwise stated)

- 2 Represents an amount transferred to Investment Fluctuation Reserve (IFR) from disposable profit. As per the RBI guidelines, an amount not less than the lower of net profit on sale of AFS and held-for-trading (HFT) category investments during the year or net profit for the year less mandatory appropriations is required to be transferred to IFR, until the amount of IFR is at least 2% of the HFT and AFS portfolio. The Bank can drawdown balance available in IFR in excess of 2% of its AFS and HFT portfolio. Also, refer note 18(1)(c)(iii).

SCHEDULE 3 - DEPOSITS

	As at March 31, 2024	As at March 31, 2023
A. I. Demand Deposits		
i) From banks	9,61,198	2,77,579
ii) From others	55,04,055	16,38,611
Total	64,65,253	19,16,190
II. Savings Bank Deposits	91,92,265	69,24,694
III. Term Deposits		
i) From banks	1,11,44,089	67,63,034
ii) From others	5,09,71,068	3,60,63,281
Total	6,21,15,157	4,28,26,315
Total (I+II+III)	7,77,72,675	5,16,67,199
B. I. Deposits of branches in India	7,77,72,675	5,16,67,199
II. Deposits of branches outside India	-	-
Total (I+II)	-	-

SCHEDULE 4 - BORROWINGS

	As at March 31, 2024	As at March 31, 2023
I. Borrowings in India*		
i) Reserve Bank of India	75,00,000	75,00,000
ii) Other institutions and agencies	1,59,29,800	1,91,54,139
iii) Unsecured redeemable debentures and term loan (Subordinate debts included in Tier 2 capital)	10,00,000	10,00,000
Total	2,44,29,800	2,76,54,139
II. Borrowings outside India		
Total (I+II)	2,44,29,800	2,76,54,139

*Secured Borrowings is ₹ 2,343 crores (March 31, 2023: ₹ 2,295 crores) other than Tri-Party Repo and Repo.

SCHEDULE 5 - OTHER LIABILITIES and PROVISIONS

	As at March 31, 2024	As at March 31, 2023
I. Bills payable	3,32,917	2,58,922
II. Inter - office adjustments (net)	-	-
III. Interest accrued	8,59,315	4,94,460
IV. Others (including provisions)		
(i) Contingent provisions against standard assets	2,87,611	2,33,790
(ii) Others liabilities	20,44,948	24,56,427
Total (I+II+III+IV)	35,24,791	34,43,599

Schedules forming part of the Balance Sheet

as at March 31, 2024

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

	As at March 31, 2024	As at March 31, 2023
I. Cash in hand	1,41,079	77,702
II. Balances with Reserve Bank of India		
i) in Current account	27,56,732	25,34,564
ii) in Other accounts	52,40,000	52,30,000
Total (I+II)	81,37,811	78,42,266

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

	As at March 31, 2024	As at March 31, 2023
I. In India		
i) Balances with banks		
a) In Current accounts	3,83,242	3,99,560
b) In Other deposit accounts	64,375	9,696
Total	4,47,617	4,09,256
ii) Money at call and short notice		
a) With banks	15,16,360	-
b) With other institutions	16,98,953	-
Total	32,15,313	-
Total (i+ii)	36,62,930	4,09,256
II. Outside India		
i) In Current account	-	-
ii) In other Deposit account	-	-
iii) Money at call and short notice	-	-
Total	-	-
Total (I+II)	36,62,930	4,09,256

SCHEDULE 8 - INVESTMENTS

	As at March 31, 2024	As at March 31, 2023
A. Investments in India		
i) Government securities	2,52,35,156	2,45,05,796
ii) Other approved securities	-	-
iii) Shares	7,702	7,702
iv) Debentures and bonds	-	2,01,796
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Certificate of Deposit, Security Receipts)	7,50,110	9,86,571
Total	2,59,92,968	2,57,01,865
B. Investments outside India		
i) Government securities	-	-
ii) Subsidiaries and/or joint ventures	-	-
iii) Others (equity shares and bonds)	-	-
Total	-	-
Total (A+B)	2,59,92,968	2,57,01,865



Schedules forming part of the Balance Sheet

as at March 31, 2024

(All amounts are in Indian Rupees in thousands unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
C. Investments		
i) Gross value of investments		
a) In India	2,62,58,443	2,58,30,183
b) Outside India	-	-
Total	2,62,58,443	2,58,30,183
ii) Provision for depreciation		
a) In India	2,65,475	1,28,318
b) Outside India	-	-
Total	2,65,475	1,28,318
iii) Net value of investments		
a) In India	2,59,92,968	2,57,01,865
b) Outside India	-	-
Total (i-ii)	2,59,92,968	2,57,01,865

SCHEDULE 9 - ADVANCES*

	As at March 31, 2024	As at March 31, 2023
A. i) Bills purchased and discounted	-	-
ii) Cash credits, overdrafts and loans repayable on demand	16,43,115	18,16,058
iii) Term loans	7,91,36,585	5,83,34,453
Total	8,07,79,700	6,01,50,511
B. i) Secured by tangible assets	3,32,27,660	1,88,63,777
ii) Covered by Bank / Government Guarantees	-	-
iii) Unsecured	4,75,52,040	4,12,86,734
Total	8,07,79,700	6,01,50,511
C. I. Advances in India		
i) Priority sectors [Refer note - 4 (b)]	3,62,00,941	2,33,23,301
ii) Public sector	-	-
iii) Banks	2,080	92,217
iv) Others	4,45,76,679	3,67,34,993
	8,07,79,700	6,01,50,511
II. Advances outside India		
i) Due from banks	-	-
ii) Due from others	-	-
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c) Others	-	-
Total	-	-

*Advances are net of provisions

SCHEDULE 10 - FIXED ASSETS

	As at March 31, 2024	As at March 31, 2023
I Premises		
i) Gross Block		
At cost on March 31 of the preceding year	31,872	31,872
Additions during the year	-	-
Deductions during the year	-	-
Total	31,872	31,872

Schedules forming part of the Balance Sheet

as at March 31, 2024

(All amounts are in Indian Rupees in thousands unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
ii) Depreciation to date		
As at March 31 of the preceding year	14,090	12,223
Charge for the year	1,694	1,867
Deductions during the year	-	-
Total	15,784	14,090
Net Block (i-ii)	16,088	17,782
II. Other fixed assets (including furniture & fixtures and software)		
Gross Block		
i) At cost on March 31 of the preceding year	25,60,486	12,10,631
Additions during the year	4,03,793	14,05,162
Deductions during the year	(1,877)	(55,307)
Total	29,62,402	25,60,486
ii) Depreciation to date		
As at March 31 of the preceding year	9,46,755	5,69,956
Charge for the year	5,11,769	4,31,437
Deductions during the year	(1,800)	(54,638)
Total	14,56,724	9,46,755
Net Block (i-ii)	15,05,678	16,13,731
III. Capital work in progress	1,66,166	13,262
Total (I+II+III)	16,87,932	16,44,775

SCHEDULE 11 - OTHER ASSETS

	As at March 31, 2024	As at March 31, 2023
I. Inter - office adjustments (net)	-	-
II. Interest accrued	12,24,134	8,20,279
III. Tax paid in advance/tax deducted at source (net of provision for tax)	-	1,03,249
IV. Stationery and stamps	292	292
V. Deferred tax assets (net)	5,08,802	9,74,471
VI. Others	17,82,278	9,65,248
Total	35,15,506	28,63,539

SCHEDULE 12 - CONTINGENT LIABILITIES

	As at March 31, 2024	As at March 31, 2023
I. Claims against the bank not acknowledged as debts	43,029	2,21,743
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents :	-	-
(a) In India	-	-
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	726	-
VI. Other items for which the bank is contingently liable	-	1,176
Total	43,755	2,22,919



Schedules forming part of the Profit and Loss Account

for the year ended March 31, 2024

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 13 - INTEREST EARNED

	Year ended March 31, 2024	Year ended March 31, 2023
I. Interest/discount on advances/bills	1,39,45,832	1,02,49,256
II. Income on investments	18,32,192	14,97,312
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1,08,984	89,886
IV. Others	-	367
Total	1,58,87,008	1,18,36,821

SCHEDULE 14 - OTHER INCOME

	Year ended March 31, 2024	Year ended March 31, 2023
I. Commission, exchange and brokerage	17,63,294	9,33,394
II. Profit/(Loss) on sale of investments (net)	26,966	(3,54,477)
III. Profit/(Loss) on sale of fixed assets (net)	80	118
IV. Miscellaneous income	4,03,504	3,95,189
Total	21,93,844	9,74,224

SCHEDULE 15 - INTEREST EXPENDED

	Year ended March 31, 2024	Year ended March 31, 2023
I. Interest on deposits	43,86,998	27,47,186
II. Interest on Reserve Bank of India/ inter-bank borrowings	4,56,943	4,22,325
III. Others	14,20,746	12,01,570
Total	62,64,687	43,71,081

SCHEDULE 16 - OPERATING EXPENSES

	Year ended March 31, 2024	Year ended March 31, 2023
I. Payments to and provisions for employees	36,08,187	24,23,737
II. Rent, taxes and lighting	4,38,045	3,45,096
III. Printing and stationery	59,568	63,577
IV. Advertisement and publicity	28,233	16,019
V. Depreciation on Bank's property	5,13,463	4,33,304
VI. Director's fees/remuneration, allowances and expenses	11,772	14,660
VII. Auditors' fees and expenses	11,198	10,500
VIII. Law charges	31,046	28,078
IX. Postage, Telegrams, Telephones, etc.	86,451	55,453
X. Repairs and maintenance	6,48,248	5,10,951
XI. Insurance	1,36,382	1,16,015
XII. Other expenditure (includes professional fees)	17,04,456	10,47,995
Total	72,77,050	50,65,385

Schedules forming part of the Financial Statements

for the year ended March 31, 2024

SCHEDULE 17 - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Background and nature of operations

Suryoday Small Finance Bank Limited (the 'Bank' or 'Company') started its banking operation in January 2017 pursuant to SFB Licence given by Reserve Bank of India (RBI). The Bank is included in the Second schedule to the Reserve Bank of India Act, 1934 vide Notification No. DBR. NBD. (SFB- Suryoday). No. 766/16.13.216/201718 dated 24 July 2017 and published in the Gazette of India (part III- Section 4) dated 2 September 2017. The Bank's equity shares are listed on NSE and BSE. The Bank operates with 695 banking outlets as on March 31, 2024.

The Bank is primarily engaged in extending micro credit to economically weaker women who are otherwise unable to access finance from the mainstream banking channels. The Bank broadly follows the Grameen model with suitable adaptations using the Joint Liability Groups (JLG) framework, where each member of the group guarantees the loan repayment of the other members of the group. The Bank also provides finance for mortgage loans, commercial vehicles, loans to micro, small and medium enterprises and loans to non-banking finance companies (NBFCs).

2. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time (RBI guidelines), Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, Companies (Accounts) Rules, 2021 and the Companies (Accounting Standards) Amendment Rules, 2016, in so far as they apply to banks.

Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

3. Significant accounting policies

A. Investments

Classification:

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into "Held for Trading" ('HFT'), "Available for Sale" ('AFS') and "Held to Maturity" ('HTM' or "Banking book") categories (hereinafter called "categories"). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines.

Under each of these categories, investments are further classified under six groups (hereinafter called "groups") – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

The Bank follows settlement date accounting for purchase and sale of investments except for Central & State government securities where settlement date method of accounting is followed in accordance with RBI Guidelines.

Basis of classification:

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category.

Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above categories are classified under AFS category.

Acquisition Cost and Broken Period Interest

Brokerage, commission and broken period interest on debts instruments are recognised in Profit and Loss Account and are not included in the cost of acquisition.

Disposal of Investments

Profit/loss on sale of investments under the aforesaid three categories is recognised in the Profit and Loss Account. Cost of investments is based on the weighted average cost method. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is appropriated from Profit and Loss Account to "Capital Reserve" in accordance with the RBI Guidelines.



Schedules forming part of the Financial Statements

for the year ended March 31, 2024

Short Sale

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio. The mark to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

Valuation

Investments classified under AFS and HFT categories are marked to market as per the RBI guidelines.

Traded investments are valued based on the trades / quotes on the recognised stock exchanges, price list of RBI or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association ('FIMMDA')/ Financial Benchmark India Private Limited (FBIL), periodically.

The market value of Central Government securities (G Sec) and state development Loans (SDL which qualify for determining the Statutory Liquidity Ratio ('SLR'), included in the AFS and HFT categories, is computed as per the Yield-to-Maturity ('YTM') rates published by FBIL.

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

Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund. Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

Net depreciation in the value, if any, compared to the acquisition cost, in any of the groups, is charged to the Profit and Loss Account. The net appreciation, if any, in any of the groups is not recognised except to the extent of depreciation already provided.

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a constant yield-to-maturity basis. Such amortisation of premium is adjusted against interest income

under the head "Income from investments" as per the RBI guidelines.

Non-performing investments are identified, and depreciation / provision are made thereon based on the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss Account until received.

As per the RBI circular RBI/2017-18/147 DBR. No.BP. BC.102/21.04.048/2017-18 dated April 2, 2018, to build up adequate reserves to protect against increase in yields in future, the Bank has created an Investment Fluctuation Reserve (IFR) to the extent of the lower of following: a) net profit on sale of investments during the year; b) net profit for the year less mandatory appropriations. As per the RBI circular, this reserve will be created until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis and where feasible this should be achieved within a period of three year.

Investment Reserve Account

In accordance with the RBI Master Circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks, in case the provision on account of depreciation in the HFT and AFS categories is found to be in excess of the required amount, the excess is credited to the Profit and Loss Account and an equivalent amount net of taxes, if any, and adjusted for transfer to Statutory Reserve as applicable to such excess provision is appropriated to the Investment Reserve Account.

Repo and Reverse Repo Transactions

In accordance with the RBI guidelines, repurchase and reverse repurchase transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF'), Marginal Standing Facility ('MSF') and Standing Deposit Facility ('SDF') with RBI are accounted as borrowing / lending transactions accordingly.

Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions is accounted for as interest income.

B. Advances

Advances are classified as performing and non-performing advances ('NPAs') as per the RBI guidelines on Income Recognition and Asset Classification and are stated net of specific provisions made towards

Schedules forming part of the Financial Statements

for the year ended March 31, 2024

NPAs and inter-bank participation with risk. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI. NPAs are identified by periodic appraisals of the loan portfolio by management. Loans given under Emergency Credit Line Guarantee Scheme (ECLGS) classified as NPA are provided as per Board approved policy on prudent basis.

NPA accounts are written off in accordance with RBI guidelines and Bank's Policy post approval from Board of Directors (BOD). Amounts recovered against debts written-off are recognised in the Profit and Loss account.

For restructured/rescheduled assets, provision is made in accordance with guidelines issued by RBI. The restructured accounts are classified in accordance with RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI. Provision made against standard assets is included in "Other liabilities & provisions".

Provisions made in excess of the Bank's policy for specific loan provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by the Bank up to a level approved by the BOD. In accordance with the RBI guidelines, floating provisions are used up to a level approved by the BOD and RBI only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any other regulatory guidelines as applicable. The floating provision is netted-off from advances.

The Bank recognises the provision for unhedged foreign currency exposure of its borrowers as per regulatory guidelines stipulated by the RBI from time to time and as per methodology prescribed. The provisions are included in provision for standard assets and reported under other liabilities.

C. Transfer and Servicing of Assets

The Bank transfers loans through securitisation transactions. The transferred loans are de-recognised, and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract.

In accordance with the RBI guidelines for securitisation of standard assets, the profit/premium arising from sell down/securitisation to be amortised over the life of the transaction based on the method prescribed in the guidelines and the loss, if any, arises in the sell down/securitisation transaction, is recognised upfront in the Profit or Loss Account.

The Bank transfers advances through inter-bank participation with risk. In accordance with the RBI guidelines, for participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances.

D. Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction, the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as 'Miscellaneous Income' and the fee paid for purchase of the PSLCs is recorded as 'Other Expenditure' in Profit and Loss account. The Bank amortises the income and expense on upfront basis.

E. Foreign Currency Transactions

- (i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Foreign currency monetary items are reported using the closing rate prevailing at the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All exchange differences are recognized as income or as expenses in the period in which they arise.

F. Revenue Recognition

- (i) Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of non-performing assets is recognised upon realisation as per income recognition and asset classification norms of RBI.



Schedules forming part of the Financial Statements

for the year ended March 31, 2024

- (ii) Income on non-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis.
- (iii) Loan processing fees including processing fees on committed lines is accounted for upfront when it becomes due.
- (iv) Interest income on deposits with banks and financial institutions is recognized on a time proportion basis taking into accounts the amount outstanding and the implicit rate of interest.
- (v) Dividend is recognised as income when the right to receive the dividend is established.
- (vi) Profit or loss on sale of mutual fund units is recognised on trade date.
- (vii) All other fees are accounted for as and when they become due.

G. Fixed Assets and Depreciation

Tangible Assets

Fixed assets are stated at cost less accumulated depreciation / amortization and impairment loss, if any. The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation is charged over the estimated useful life of the fixed asset on written down value basis from the date asset is put to use considering residual value of 5% of the cost. Assets individually costing ₹ 5,000 or less are fully depreciated in the year of purchase. Assets purchased / sold during the year are depreciated on a pro-rata basis for the actual number of days the assets have been put to use. Depreciation rate used by the Bank are in line with those specified under Schedule II of the Companies Act, 2013.

The details of useful life are as under

Class of Assets	Estimated useful life
Computers & Accessories	3 years
Office equipment	5 years
Premises	30 years
Furniture and fittings	10 years
Vehicle	8 years
Software	5 years
Leasehold Improvements: Improvements to leasehold premises are amortised over the primary period of lease or estimated useful life, whichever is lower.	

H. Intangible Assets

Intangible assets, primarily comprise of goodwill, patents, trademarks, and copyrights are amortized over a period of 60 months or license period whichever is lower on a straight-line basis with zero residual value.

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

I. Leases

Operating Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership for the leased term are classified as operating leases in accordance with Accounting Standard 19, Leases. The office premises are generally rented on cancellable terms or renewable at the option of both the parties. Computers and tablets are rented on operating lease.

J. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

K. Taxation

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. 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 recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax

Schedules forming part of the Financial Statements

for the year ended March 31, 2024

losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Bank writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

L. Earnings Per Share

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – Earnings per share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted to equity during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and potential dilutive equity shares outstanding during the period except where the results are anti-dilutive.

M. Provisions, contingent liabilities and contingent assets

In accordance with AS 29, Provision, Contingent liabilities and Contingent Assets, the provision is recognised when the Bank has a present obligation as a result of past event, where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

N. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

O. Borrowing cost

Borrowing cost includes arranger fees, processing fees, stamp duty on issuance of debenture certificates and other associated transaction cost related to borrowing from banks and other financial institutions.

In accordance with Accounting Standard 16, borrowing costs are recognised upfront.

P. Post employment benefit plans

(i) Defined Contribution Plans

Retirement benefits in the form of provident fund and employee state insurance schemes are defined contribution schemes and the contributions are charged to the Profit and Loss Account for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(ii) Defined Benefit Plan

The Bank operates a defined benefit scheme for its employees, viz., gratuity scheme. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end.

Separate actuarial valuation is carried out for each plan using the projected unit credit method. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liabilities is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff alteration as per projected unit credit method.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.



Schedules forming part of the Financial Statements

for the year ended March 31, 2024

(iii) Provision for Leave availment is made in accordance with Accounting Standard 15 "Employee benefits".

Q. Employee Stock Compensation Cost

Employees (including senior executives) of the Bank receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, the cost of equity-settled transaction is measured using the fair value method and recognized, together with a corresponding increase in the "Employees Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Profit and

Loss Account for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

R. Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013 and RBI approval in accordance with RBI/2006-07/132 DBOD.BP. BC No. 31 / 21.04.018/ 2006-07.

S. Segment information

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

T. Corporate Social Responsibility (CSR)

Expenditure towards CSR, in accordance with Companies Act, 2013, is recognised in the Profit and Loss Account.

Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

SCHEDULE 18 - NOTES TO THE FINANCIAL STATEMENTS

1. Regulatory Capital

a)

(i) Composition of Regulatory Capital

The Capital adequacy ratio ("CAR") has been computed as per operating guideline for Small Finance Bank in accordance with RBI Circular No. RBI/2016-17/81 DBR. NBD.No.26/16.13.218/2016-17 dated October 6, 2016. The total Capital Adequacy ratio of the Bank as at March 31, 2024 is 28.41% (March 31, 2023: 33.72%) against the regulatory requirement of 15.00% as prescribed by RBI.

The following table sets forth, for the year indicated, computation of capital adequacy as per operating guidelines.

Particulars	As at March 31, 2024	As at March 31, 2023
i) Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	1,698.84	1,440.64
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	1,698.84	1,440.64
iv) Tier 2 capital	119.95	134.64
v) Total capital (Tier 1+Tier 2)	1,818.79	1,575.28
vi) Total Risk Weighted Assets (RWAs)	6,402.21	4,671.46
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	26.54%	30.84%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	26.54%	30.84%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.87%	2.88%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	28.41%	33.72%
xi) Leverage Ratio	13.79%	14.74%
xii) Percentage of the shareholding of:		
a) Government of India	NA	NA
b) State Government of India	NA	NA
c) Sponsor Bank	NA	NA
xiii) Amount of paid-up equity capital raised during the year	-	-
xiv) Amount of non-equity Tier 1 capital raised during the year	-	-
xv) Amount of Additional Tier 2 capital raised during the year	-	-

Subordinated debt (Tier 2 capital) outstanding as at March 31, 2024 is ₹ 100.00 crores (March 31, 2023 : ₹ 100.00 crores).

Further as per the RBI's directions given in the circular DBR.NBD.No. 4502/16.13.218/2017-18, dated November 8, 2017, no separate risk charge has been calculated for Market Risk and Operational Risk for capital ratios.

In accordance with the RBI guidelines, small finance banks are required to make disclosures related to Net Stability Funding Ratio, which has been disclosed under "Annexure I" to the financial statements. These disclosures are available on the Bank's website at the following link : <https://www.suryodaybank.com/regulatory-disclosure>. The said disclosures have not been subjected to audit by the statutory auditors of the Bank.

(ii) Capital Infusion

During the year ended March 31, 2024, the Bank has issued 41,949 (March 31, 2023 : Nil) equity shares of a face value ₹ 10 each.

Details of movement in the paid up equity share capital are as below:

Particulars	March 31, 2024		March 31, 2023	
	Equity shares (Number)	(₹ in crores)	Equity shares (Number)	(₹ in crores)
Equity shares at the beginning of the year	10,61,58,749	106.16	10,61,58,749	106.16
Addition pursuant to stock options exercised	41,949	0.04	-	-
Addition pursuant to equity shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	10,62,00,698	106.20	10,61,58,749	106.16



Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Draw Down from Reserves

Share Premium

There has been no draw down from share premium during the year ended March 31, 2024 (March 31, 2023: ₹ 0.61 Crore).

c) Appropriation to Reserves

i) Statutory Reserve

The Bank has made an appropriation of ₹ 53.99 crores (March 31, 2023: ₹ 19.42 crores) out of profits for the year ended March 31, 2024 to Statutory Reserve pursuant to the requirements of section 17(1) and section 11(2)(b)(ii) of Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

ii) Capital Reserve

During the year ended March 31, 2024, the Bank has not required to appropriated (net of taxes and statutory reserves) (March 31, 2023: ₹ Nil) from profit and loss account to capital reserves being the profit from sale of investments under HTM category as per the RBI guidelines.

iii) Investment Fluctuation Reserve

During the year ended March 31, 2024, the Bank has drawn down ₹ 4.56 crores (March 31, 2023: ₹ 18.84 crores) from Profit and Loss Account to Investment Fluctuation Reserve as per RBI guidelines.

d) Proposed dividend

The Board of Directors of the Bank has not proposed any dividend for the year ended March 31, 2024 (March 31, 2023: ₹ Nil).

Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

2. Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities

Particulars	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days and upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Years and upto 5 years	Over 5 years	Total
As at March 31, 2024												
Deposits	60.46	171.86	241.13	173.65	313.94	356.24	546.93	1,040.27	3,588.61	1,279.91	4.27	7,777.27
Advances	10.21	184.36	55.20	54.06	316.86	352.10	942.74	1,797.54	2,797.22	433.10	1,134.58	8,077.97
Investments	1,273.92	15.69	33.10	22.87	35.36	128.88	74.74	180.76	581.93	250.23	1.82	2,599.30
Borrowings	-	-	-	43.83	12.50	61.11	162.04	1,034.48	884.52	244.50	-	2,442.98
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days and upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Years and upto 5 years	Over 5 years	Total
As at March 31, 2023												
Deposits	98.41	151.81	475.54	201.14	235.82	151.18	381.48	307.41	2,537.21	622.13	4.59	5,166.72
Advances	0.96	82.36	100.29	55.24	237.43	250.46	747.88	1,370.75	2,117.99	249.89	801.80	6,015.05
Investments	1,594.13	27.46	83.77	34.40	53.81	13.16	25.43	34.38	476.76	225.28	1.61	2,570.19
Borrowings	-	370.21	8.37	10.50	43.75	30.00	138.50	233.88	1,583.20	347.00	-	2,765.41
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Liquidity Coverage Ratio (LCR)

i) Quantitative disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2024:

Particulars	Quarter ended March 31, 2024		Quarter ended December 31, 2023		Quarter ended September 30, 2023		Quarter ended June 30, 2023	
	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)	0.00	1,735.93	0.00	1,824.29		1,874.09		1,667.11
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	4,194.14	419.41	3,892.73	389.27	3,618.84	361.88	3,039.80	303.98
(i) Stable deposits	-	-	-	-	-	-	-	-
(ii) Less stable deposits	4,194.14	419.41	3,892.73	389.27	3,618.84	361.88	3,039.80	303.98
3 Unsecured wholesale funding, of which:	1,293.48	905.01	1,175.87	822.93	1,107.41	782.14	993.30	702.20
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	455.34	66.87	407.60	54.67	374.11	48.84	331.47	40.37
(iii) Unsecured debt	838.14	838.14	768.27	768.27	733.30	733.30	661.83	661.83
4 Secured wholesale funding	-	53.32	-	46.50	-	57.89	-	70.67
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirement	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligation	276.04	276.04	401.03	299.47	423.01	313.55	425.22	292.30
7 Other contingent funding obligations	160.10	8.01	-	-	-	-	-	-
8 Total cash outflows		1,661.78		1,558.17		1,515.46		1,369.15
Cash Inflows								
9 Secured lending (e.g. reverse repo)	11.98	-	8.28	-	15.98	-	13.50	-
10 Inflows from fully performing exposures	548.50	338.40	505.70	309.74	478.20	296.60	315.02	178.56
11 Other cash inflows	250.50	125.25	276.09	138.04	281.13	140.57	229.05	114.52
12 Total cash inflows	810.98	463.65	790.07	447.78	775.31	437.17	557.55	293.08
13 Total HQLA		1,735.93		1,824.29		1,874.09		1,667.11
14 Total Net Cash Outflows		1,198.13		1,110.39		1,078.29		1,076.07
15 Liquidity Coverage Ratio (%)		144.89%		164.29%		173.80%		154.93%



Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

i) Quantitative disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2023:

Particulars	March 31, 2023		December 31, 2022		September 30, 2022		June 30, 2022	
	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		1,554.11		1,456.96		1,655.46		1,960.72
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	2,756.11		2,350.18	235.02	2,355.42	235.54	2,260.93	226.09
(i) Stable deposits	-	-	-	-	-	-	-	-
(ii) Less stable deposits	2,756.11	275.61	2,350.18	235.02	2,355.42	235.54	2,260.93	226.09
3 Unsecured wholesale funding, of which:	870.91	602.67	858.14	624.93	840.01	590.10	891.79	643.38
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	306.65	38.41	268.81	35.60	294.29	44.38	286.93	38.52
(iii) Unsecured debt	564.26	564.26	589.33	589.33	545.71	545.71	604.86	604.86
4 Secured wholesale funding	-	71.18	-	40.55	-	37.52	-	32.11
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirement	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligation	424.27	285.51	399.01	318.36	304.11	227.76	227.49	125.90
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total cash outflows		1,234.97		1,218.86		1,090.90		1,027.48
Cash Inflows								
9 Secured lending (e.g. reverse repo)	4.70	-	0.76	-	13.30	-	2.00	-
10 Inflows from fully performing exposures	279.34	154.09	277.36	152.52	320.97	179.72	237.99	203.18
11 Other cash inflows	176.69	141.45	194.68	97.34	190.05	95.02	125.80	81.77
12 Total cash inflows	460.72	295.54	472.80	249.86	524.32	274.74	365.79	284.95
13 Total HQLA	-	1,554.11	-	1,456.96	-	1,655.46	-	1,960.72
14 Total Net Cash Outflows	-	992.53	-	969.00	-	816.16	-	742.53
15 Liquidity Coverage Ratio (%)	-	156.58%	0.00%	150.36%	0.00%	202.84%	-	264.06%



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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

ii) Qualitative information on Liquidity Coverage Ratio (LCR) is given below:

The objective of LCR is to ensure that the Bank maintains an adequate stock of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30-day period under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The LCR is calculated by dividing the amount of High Quality Liquid unencumbered Assets (HQLA) by the expected net cash outflows over a stressed 30 day period as per the RBI Guidelines. Minimum LCR requirement for small finance banks is 100%.

HQLA comprises of cash in hand, excess CRR, excess SLR/Non SLR securities, maximum liquidity facility allowed by RBI under marginal standing facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

The Asset Liability Committee (ALCO) governs the Liquidity Risk management of the Bank. The liquidity profile of the Bank is monitored and measured by the Risk Management Department, which reviews liquidity under different business conditions and places the same before the ALCO.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, borrowings), as well as to undrawn commitments and other miscellaneous liabilities, partially offset by expected inflows from assets maturing within 30 days.

The average LCR for the quarter ended March 31, 2024 was at 144.89% as against 156.58% for the quarter ended March 31, 2023, and well above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2024 was ₹ 1,735.93 crores, as against was ₹ 1,554.11 crores for the quarter ended March 31, 2023.

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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

3. Investments

a) Composition of Investment Portfolio as at March 31, 2024

Particulars	Investments in India						Investments outside India				Total Investments		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government Securities	Subsidiaries and/or joint ventures	Others		Total investments outside India	
Held to Maturity													
Gross	1,066.55	-	-	-	-	-	1,066.55	-	-	-	-	-	1,066.55
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	1,066.55	-	-	-	-	-	1,066.55	-	-	-	-	-	1,066.55
Available for Sale													
Gross	1,457.31	-	0.77	-	-	101.21	1,559.29	-	-	-	-	-	1,559.29
Less: Provision for depreciation and NPI	0.34	-	-	-	-	26.20	26.55	-	-	-	-	-	26.55
Net	1,456.97	-	0.77	-	-	75.01	1,532.75	-	-	-	-	-	1,532.75
Held for Trading													
Gross	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	2,523.86	-	0.77	-	-	101.21	2,625.84	-	-	-	-	-	2,625.84
Less: Provision for non performing investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	0.34	-	-	-	-	26.20	26.54	-	-	-	-	-	26.54
Net	2,523.52	-	0.77	-	-	75.01	2,599.30	-	-	-	-	-	2,599.30

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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Composition of Investment Portfolio as at March 31, 2023

Particulars	Investments in India						Investments outside India				Total Investments		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government Securities	Subsidiaries and/or joint ventures	Others		Total investments outside India	
Held to Maturity													
Gross	795.71	-	-	-	-	-	795.71	-	-	-	-	-	795.71
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	795.71	-	-	-	-	-	795.71	-	-	-	-	-	795.71
Available for Sale													
Gross	1,667.71	-	0.77	20.18	-	98.66	1,787.32	-	-	-	-	-	1,787.32
Less: Provision for depreciation and NPI	12.68	-	-	0.15	-	-	12.83	-	-	-	-	-	12.83
Net	1,655.03	-	0.77	20.03	-	98.66	1,774.49	-	-	-	-	-	1,774.49
Held for Trading													
Gross	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	2,463.42	-	0.77	20.18	-	98.66	2,583.03	-	-	-	-	-	2,583.03
Less: Provision for non performing investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	12.68	-	-	0.15	-	-	12.83	-	-	-	-	-	12.83
Net	2,450.73	-	0.77	20.03	-	98.66	2,570.20	-	-	-	-	-	2,570.20



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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	March 31, 2024	March 31, 2023
i) Movement of provisions held towards depreciation on investments:		
a) Opening balance	12.83	27.37
b) Add: Provision made during the year	13.72	-
c) Less: Write off / Write back of excess provisions during the year	-	14.54
d) Closing balance	26.54	12.83
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	35.75	16.90
b) Add: Amount transferred during the year	-	18.84
c) Less: Drawdown	4.56	-
d) Closing balance	31.19	35.75
(iii) Closing balance in IFR as a percentage of closing balance of investments# in AFS and HFT/Current category	2%	2%

#Carrying value less net depreciation (ignoring net appreciation) i.e. the net amount reflected in the balance sheet.

c) Sale and Transfer to /from HTM Category

The Bank has not sold or transferred securities to or from HTM category exceeding 5% of the book value of investments held in HTM category at the beginning of year ended March 31, 2024 and March 31, 2023 respectively. The 5% threshold referred to above does not include:

- The one-time transfer of securities to/from HTM category with the approval of Board of Directors undertaken by banks at the beginning of the accounting year.
- Direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirements by RBI.
- Sales to the Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government Securities Acquisition Programme (GSAP).
- Repurchase of Government Securities by Government of India from banks under buyback / switch operations.
- Repurchase of State Development Loans by respective state governments under buyback / switch operations.
- Additional shifting of securities explicitly permitted by the Reserve Bank of India.

d) Non-SLR investment portfolio

i) Non-performing non-SLR investments

Particulars	March 31, 2024	March 31, 2023
a) Opening balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
e) Total provisions held	-	-



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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

ii) Issuer-wise composition of non-SLR investments

Issuer-wise composition of non-SLR investments as at March 31, 2024

Issuer	Amount	Extent of private placement [#]	Extent of 'Below investment grade' securities [#]	Extent of 'Unrated' securities [#]	Extent of 'Unlisted' securities ^{**}
a) Public sector undertakings	-	-	-	-	-
b) Financial institutions	74.05	-	-	-	-
c) Banks	-	-	-	-	-
d) Private corporate	-	-	-	-	-
e) Subsidiaries / Joint ventures	-	-	-	-	-
f) Others [§]	32.71	0.77	-	0.77	0.77
g) Provision held towards depreciation	(26.62)	-	-	-	-
Total	80.14	0.77	-	0.77	0.77

Issuer-wise composition of non-SLR investments as at March 31, 2023

Issuer	Amount	Extent of private placement [#]	Extent of 'Below investment grade' securities [#]	Extent of 'Unrated' securities [#]	Extent of 'Unlisted' securities ^{**}
a) Public sector undertakings	-	-	-	-	-
b) Financial institutions	20.18	-	-	-	-
c) Banks	-	-	-	-	-
d) Private corporate	-	-	-	-	-
e) Subsidiaries / Joint ventures	-	-	-	-	-
f) Others [§]	203.63	0.77	-	0.77	0.77
g) Provision held towards depreciation	(0.52)	-	-	-	-
Total	223.29	0.77	-	0.77	0.77

[#] Amounts reported under these columns above are not mutually exclusive

^{*} Excludes investments in commercial paper and certificate of deposits

[§] Includes Security Receipts [Refer Note - 3(f)]

e) Repo/ Reverse Repo Transactions

The Details relating to repo/reverse repo transactions (in face value terms) during the year ended March 31, 2024 are as follows:

Issuer	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 March 2024
i) Securities sold under repo				
a) Government securities	750.00	1,347.01	948.79	750.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	3.99	324.64	11.74	271.53
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

The Details relating to repo/reverse repo transactions (in face value terms) during the year ended March 31, 2023 are as follows:

Issuer	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 March 2023
i) Securities sold under repo				
a) Government securities	19.83	1,542.66	886.18	1,120.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
ii) Securities purchased under reverse repo				
a) Government securities	5.00	1,548.00	45.69	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

f) Details of investment in Security Receipts (SRs)

In accordance with RBI guidelines governing the transfer of stressed loans - Reserve Bank of India (Sale of Loan Exposures) Direction, 2021 (RBI Master Directions) dated September 24, 2021 (as updated from time to time), the outstanding amount of SRs (net of provision) is ₹ 0.96 crores as on March 31, 2024 (March 31, 2023: ₹ 98.66 crores).

4. Asset quality

a) Classification of advances and provisions held for the year ended March 31, 2024:

Particulars	Standard Advances	Non- Performing Advances			Total Non - Performing Advances	Total
		Sub - standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	5,922.08	144.69	44.10	2.61	191.40	6,113.48
Add: Additions during the year					196.33	
Less: Reductions during the year*					145.36	
Closing balance	8,008.10	173.12	67.06	2.19	242.37	8,250.47
*Reductions in Gross NPAs due to:						
i) Upgradation					32.18	
ii) Recoveries (excluding recoveries from upgraded accounts)					10.11	
iii) Technical/ Prudential Write-offs					103.07	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	23.38	74.89	3.55	2.15	80.60	103.97
Add: Fresh provisions made during the year					179.90	
Less: Excess provision reversed					121.70	
Closing balance of provisions held	28.76	94.09	42.93	1.79	138.80	167.57
Net NPAs*						
Opening Balance		69.79	40.56	0.46	92.97	
Add: Fresh additions during the year					0.56	
Less: Reductions during the year					23.66	
Closing Balance		79.03	24.13	0.40	69.87	69.87
Floating Provisions						
Opening Balance						17.84
Add: Additional provisions made during the year						15.86
Less: Amount drawn down during the year						-
Closing balance of floating provisions						33.70



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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Standard Advances	Non- Performing Advances			Total Non - Performing Advances	Total
		Sub - standard	Doubtful	Loss		
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						518.93
Add: Technical/ Prudential write-offs during the year						103.07
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						26.69
Closing balance						595.31

* For calculating Net NPA for total non performing assets column Floating provision is reduced.

Classification of advances and provisions held for the year ended March 31, 2023:

Particulars	Standard Advances	Non- Performing Advances			Total Non - Performing Advances	Total
		Sub - standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	4,466.41	533.19	64.23	0.00	597.42	5,063.83
Add: Additions during the year					505.20	
Less: Reductions during the year*					911.20	
Closing balance	5,922.08	144.69	44.10	2.61	191.40	6,113.48
*Reductions in Gross NPAs due to:						
i) Upgradation					152.20	
ii) Recoveries (excluding recoveries from upgraded accounts)					54.50	
iii) Technical/ Prudential Write-offs					274.60	
iv) Transfer of stressed loans					429.90	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	19.47	176.97	45.81	0.00	222.78	242.25
Add: Fresh provisions made during the year					377.64	
Less: Excess provision reversed/ Write-off loans					519.83	
Closing balance of provisions held	23.37	74.89	3.55	2.16	80.60	103.97
Net NPAs*						
Opening Balance		356.22	18.41	-	283.37	
Add: Fresh additions during the year					109.72	
Less: Reductions during the year					300.11	
Closing Balance		69.79	40.56	0.46	92.97	92.97
Floating Provisions						
Opening Balance						91.28
Add: Additional provisions made during the year						17.84
Less: Amount drawn down during the year®						(91.28)
Closing balance of floating provisions						17.84

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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Standard Advances	Non- Performing Advances			Total Non - Performing Advances	Total
		Sub - standard	Doubtful	Loss		
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						341.86
Add: Technical/ Prudential write-offs during the year						274.60
Less: Written off portfolio sold to ARC						62.25
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						35.28
Closing balance						518.93

* For calculating Net NPA for total non performing assets column Floating provision is reduced.

@The Bank has utilised floating provision of ₹ 91.28 crores against the sale of stressed loans to Edelweiss Asset Reconstruction Company (EARC) in accordance with RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021.

Ratios

Ratios (in %)	As at March 31, 2024	As at March 31, 2023
Gross NPA to Gross Advances	2.94%	3.13%
Net NPA to Net Advances	0.86%	1.55%
Provision coverage ratio	71.17%	51.42%
Provision coverage ratio*	91.66%	86.91%

*includes write offs,

b) Sector-wise Gross Advances and Gross NPAs

Particulars	March 31, 2024		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
i) Priority Sector *			
a) Agriculture and allied activities	2,751.48	109.25	3.97%
- Agri - Farm Credit - Allied Activities - Dairying	313.87	11.64	3.71%
- Agri - Farm Credit - Allied Activities - Poultry	1,492.64	43.87	2.94%
- Agri - Farm Credit - Allied Activities - Other	650.14	42.49	6.54%
b) Advances to industries sector eligible as priority sector lending	52.19	2.94	5.63%
- Manufacturing and processing	51.84	2.94	5.67%
c) Services	193.23	12.81	6.63%
- Transport operators	47.64	3.75	7.87%
- Professional and other services	40.24	3.01	7.48%
- Others	90.38	5.01	5.54%
d) Personal loans	2,423.20	80.64	3.33%
- Other Priority Sector Loans	1,937.07	70.11	3.62%
- Housing Loans	486.13	10.53	2.17%
Sub total (i)	5,420.10	205.65	3.79%
ii) Non Priority Sector*			
a) Agriculture and allied activities	6.07	0.93	15.24%
b) Industry	-	-	0.00%
c) Services	-	-	0.00%



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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	March 31, 2024		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
d) Personal Loans	2,824.30	35.80	1.27%
- Other Non Priority Sector Loans	2,356.22	23.26	0.99%
Sub total (ii)	2,830.37	36.73	1.30%
Total (i+ii)	8,250.47	242.37	2.94%

Particulars	March 31, 2023		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
i) Priority Sector *			
a) Agriculture and allied activities	2,672.92	61.57	2.30%
- Agri - Farm Credit - Allied Activities - Poultry	936.73	34.71	3.71%
- Agri - Farm Credit - Allied Activities - Other	1,320.28	8.73	0.66%
b) Advances to industries sector eligible as priority sector lending	6.51	0.21	3.19%
- Manufacturing and processing	6.51	0.21	3.19%
c) Services	28.00	3.13	11.18%
- Transport operators	7.33	1.46	19.91%
- Professional and other services	4.11	0.35	8.51%
- Others	14.71	0.75	5.08%
d) Personal loans	1,489.16	80.05	5.38%
- Other Priority Sector Loans	1,097.64	72.71	6.62%
- Housing Loans	391.54	7.34	1.87%
Sub total (i)	4,196.60	144.95	3.45%
ii) Non Priority Sector*			
a) Agriculture and allied activities	-	-	0.00%
b) Industry	-	-	0.00%
c) Services	-	-	0.00%
d) Personal Loans	1,916.88	46.45	2.42%
- Housing loans	189.37	3.95	2.09%
- Other Non Priority Sector Loans	1,578.64	30.56	1.94%
Sub total (ii)	1,916.88	46.45	2.42%
Total (i+ii)	6,113.48	191.40	3.13%

*No adjustment made to gross advances on account of PSLCs bought/sold. For PSLCs bought/sold refer note 14(d).

c) Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets / NPA as at March 31, 2024 and no overseas operations were undertaken for the year ended March 31, 2024. Hence revenue from overseas operation is ₹ Nil (March 31, 2023: ₹ Nil).

d) Resolution of Stressed Assets – Revised Framework

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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

The Bank does not have any account for resolution of stressed Assets (Revised framework) as per the RBI Circular RBI/2017-18/ 131DBR.No.BP.BC.101/21.04.048/2017-18 Loans as on March 31, 2024 (March 31, 2023 : ₹ Nil)

e) Divergence in asset classification and provisioning

RBI vide its circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 and Notification dated April 1, 2019, has directed banks shall make suitable disclosures, if either or both of the following conditions are satisfied:

- the additional provisioning for non-performing assets (NPAs) assessed by the RBI exceeds 5 per cent of the reported profit before provisions and contingencies for the reference period, and/ or
- the additional Gross NPAs identified by the RBI exceed 5% of the reported incremental Gross NPAs for the reference period.

There has been no divergence observed by the RBI for the Financial year 2023-24 in respect of the Bank's asset classification and provisioning as per the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

f) Disclosure of transfer of loan exposures

Details of loans transferred/acquired during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

- During the year ended March 31, 2024, the Bank has not acquired any loans not in default through assignment of loans
- During the year ended March 31, 2024, the Bank has not acquired any stressed loans (Non-performing asset and Special Mention Account)
- During the year ended March 31, 2024, the Bank has not transferred any stressed loans.

g) Fraud accounts

Particulars	March 31, 2024	March 31, 2023
Number of frauds reported	392	284
Amount involved in fraud	2.83*	1.78
Amount of provision made for such frauds	0.39	1.10
Amount of unamortised provision debited from 'other reserves' as at the end of the year	-	-

*Amount involved in fraud includes internal and external frauds however bank is liable for internal fraud hence provision made on internal frauds.

h) Resolution Framework for COVID-19-related Stress

Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at March 31, 2024 are given below:

Particulars	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off/Sold to ARC during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half year i.e. March 31, 2024
Personal Loans	6.81	0.48	-	0.89	5.44
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	6.57	0.22	0.26	0.97	5.12
Total	13.38	0.70	0.26	1.86	10.56



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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

5. Exposure

a) Exposure to real estate sector

Category	March 31, 2024	March 31, 2023
i) Direct exposure		
a) Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	849.08	658.57
- of which housing loans eligible for inclusion in priority sector advances	509.37	391.53
b) Commercial real estate -		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	26.45	11.41
c) Investments in mortgage backed securities (MBS) and other securitised	-	-
i) Residential	-	-
ii) Commercial Real Estate	-	-
Total (i)	875.53	669.98
ii) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies (HFCs).	72.43	83.21
Total (ii)	72.43	83.21
Total Exposure to Real Estate Sector (i+ii)	947.96	753.19

b) Exposure to capital market

The Bank does not have any capital market exposure as at March 31, 2024 (March 31, 2023 : ₹ Nil).

c) Risk category- wise country exposure

The Bank's exposures are concentrated in India, hence no provision is maintained with regard to country risk exposure as at March 31, 2024 (March 31, 2023 : ₹ Nil)

d) Unsecured Advances

Advances for which intangible collaterals such as rights, licenses, authority etc. are charged in favour of the Bank in respect of projects financed by the Bank, are reckoned as unsecured advances under Schedule 9 of the Balance Sheet in line with extant RBI guidelines. There are no such advances given during the year and outstanding as at March 31, 2024. (March 31, 2023: ₹ Nil)

Particulars	March 31, 2024	March 31, 2023
Total unsecured advances of the bank	4,755.20	4,128.67
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) Factoring exposures

The factoring exposure of the Bank as at March 31, 2024 is ₹ Nil (March 31, 2023 : ₹ Nil)

f) Intra Group Exposure

The Bank does not have any intra group exposure as at March 31, 2024 (March 31, 2023 : ₹ Nil).

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g) Unhedged foreign currency exposure

In accordance with the RBI guidelines on Banks' exposures to entities with Unhedged Foreign Currency Exposure ('UFCE'), the Bank has put in place a mechanism to seek information from its borrowers and to evaluate the currency induced credit risk. In the case of listed entities, the Bank obtains information relating to unhedged positions based on the latest available audited / reviewed financial statements; whilst in the case of unlisted / private companies, the Bank obtains the aforesaid information based on the latest available audited financial statements (not exceeding a financial year) so as to estimate the extent of likely loss and to provide for incremental capital or to recognise incremental provision in accordance with the aforesaid guidelines. Further, as per the above-mentioned guidelines, the Bank obtains audited and certified UFCE information from the statutory auditors of the borrowers, wherever feasible, on an annual basis. In the case of smaller entities i.e. entities with exposure to banking industry up to ₹ 50 crore, the Bank recognises an incremental provision at 10 basis points on all such exposures.

In accordance with RBI guidelines, as at March 31, 2024 the Bank holds UFCE provisions of ₹ 2.14 crores (March 31, 2023: ₹ 4.48 crores) maintains capital of ₹ 39.53 crore (March 31, 2023: ₹ 80.72 crore) in respect of the unhedged foreign currency exposure of its customers.

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of Deposits

Particulars	March 31, 2024	March 31, 2023
Total deposits of twenty largest depositors	1,659.72	1,255.54
Percentage of deposits of twenty largest depositors to total deposits of the bank	21.34%	24.30%

b) Concentration of Advances

Particulars	March 31, 2024	March 31, 2023
Total advances to twenty largest borrowers	602.35	590.47
Percentage of advances of twenty largest borrowers to total advances of the bank	7.30%	9.66%

c) Concentration of Exposures

Particulars	March 31, 2024	March 31, 2023
Total exposure to twenty largest borrowers / customers*	599.66	665.83
Percentage of exposure of twenty largest borrowers / customers to total exposure of the bank on borrowers / customers	7.08%	10.57%

* Exposures computed as per applicable RBI regulation.

d) Concentration of NPAs

Particulars	March 31, 2024	March 31, 2023
Total Exposure to the top twenty NPA accounts	12.18	10.38
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	5.02%	5.42%

7. Derivatives

During the year ended March 31, 2024 the Bank has not undertaken any derivative transaction and there is no outstanding position as at the year end (March 31, 2023 : ₹ Nil). Hence, disclosure related to Forward Rate Agreement / Interest Rate Swap/ Credit default Swap and Exchange Traded Interest Rate Derivatives has not been provided.



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8. Disclosure relating to securitisation

The Bank has not originated any securitisation transaction during the year ended March 31, 2024 and March 31, 2023.

9. Off balance sheet SPVs sponsored

There are no off balance sheet SPVs sponsored by the Bank, which are required to be consolidated as per accounting norms.

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

The Depositor Education and Awareness Fund Scheme, 2014 applies when amount to the credit of any account in India with any bank has not been operated upon for a period of ten years or any deposit or any amount is remaining unclaimed for more than ten years to be credited to the DEA Fund. However, ten years have not been elapsed since the commencement of operations of the Bank, the Bank is not required to transfer any sum to DEA Fund as on 31 March 2024 (March 31, 2023: ₹ Nil).

11. Disclosure of complaints

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

Particulars	March 31, 2024	March 31, 2023
Complaints received by the bank from its customers		
1. Number of complaints pending at beginning of the year	630	91
2. Number of complaints received during the year	13,773	13,545
3. Number of complaints disposed during the year	14,185	13,006
3.1 Of which, number of complaints rejected by the Bank	157	-
4. Number of complaints pending at the end of the year	218	630
Maintainable complaints received by the bank from Office of Ombudsman		
5. Number of maintainable complaints received by the bank from Office of Ombudsman	75	105
5.1 Of 5, number of complaints resolved in favour of the Bank by Office of Ombudsman	26	95
5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	49	10
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)	-	-

b) Top five grounds of complaints received by the Bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
March 31, 2024					
ATM/ Debit Cards	451	3,431	-3%	33	0
Loans and advances	18	668	198%	21	2
Net Banking / Mobile Banking/ Point of Sales	111	4,648	-3%	74	0
Account opening/ Difficulty in operation of accounts	45	4,350	-2%	79	1
Staff related	5	195	28%	10	0
Others	-	481	23%	1	0
Total	630	13,773	2%	218	3

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Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
March 31, 2023					
ATM/ Debit Cards	9	3,541	348%	451	-
Loans and advances	4	224	22%	18	-
Net Banking / Mobile Banking/ Point of Sales	52	4,793	17%	111	-
Account opening/ Difficulty in operation of accounts	2	4,445	229%	4	-
Staff related	2	152	11%	-	-
Others	22	390	1400%	46	-
Total	91	13,545	105%	630	-

12. Disclosure of penalties imposed by the Reserve Bank of India

During the year ended March 31, 2024, the Reserve Bank of India (RBI), in exercise of powers vested in RBI under the provisions of RBI Master Direction RBI/2023-24/04 DCM (CC) No.G-3/03.44.01/2023-24 dated April 3, 2023 on "scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of public" has imposed a monetary penalty of ₹ 0.001 crore on the bank for non-compliance with the RBI Master Direction RBI/2023-24/97 DCM (NE) No.G-2/08.07.18/2023-24 dated April 3, 2023' due to deficiencies observed in the exchange of soiled/mutilated notes facility for non customers (March 31, 2023: ₹ 0.58 crore).

13. Disclosures on remuneration

A) Qualitative Disclosures

(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) of the Board is the main body overseeing remuneration. As on March 31, 2024, the NRC had six members of which five are Independent Directors. The functions of the Committee include formulating criteria to determine independence of directors, identifying persons for appointment as directors on the Board of the Bank, devising a policy on board diversity, formulating criteria for evaluation of performance of the Board, its Committees and individual directors, recommending remuneration of senior management personnel, administering, monitoring and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Bank, recommending to the Board policy on succession planning for the Board and senior management and overseeing and reviewing the succession plans from time to time.

The Composition of NRC committee as on March 31, 2024 is as follows:

- Mr. Mrutunjay Sahoo, Independent Director (Chairman)
- Mr. R. Ramachandran, Independent Director (upto September 23, 2023)
- Mr. Arun Diaz, Independent Director
- Mr. K P Nair, Independent Director
- Dr. Mandeep Maitra, Independent Director (upto January 30, 2024)
- Mr. Ranjit Shah, Investor Director
- Ms. Swati Datye, Independent Director (w.e.f. February 01, 2024)

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process

Not Applicable



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Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches

- (a) The Policy on appointment and remuneration of Directors, Key Managerial personnel and senior management employees was approved by the Board on January 23, 2017 and reviewed periodically. It was modified in October 2020 to exclude the remuneration aspects in view of new Compensation Policy being formulated and approved by the Board.
- (b) The Bank's new Compensation Policy (formulated in accordance with RBI Guidelines on Compensation of Whole Time Directors, Chief Executive Officers, Material Risk Takers and Risk Control & Compliance Staff), was approved by the Board in October 2020 and is annually reviewed.
- (c) The Employee Policies Manual of the Bank was approved by the Board on January 23, 2017 and is reviewed periodically. It covers compensation policy for all other employees of the Bank.

Type of employees covered and number of such employees by the Compensation Policy and the Employee Policies Manual.

All permanent employees of the Bank are covered. The total number of permanent employees of the Bank at March 31, 2024 was 7,440.

(b) Information relating to the design and structure of remuneration processes of remuneration processes and the key features and objectives of remuneration policy:

Key features and objectives of Compensation policy: The Bank, under the guidance of the NRC and the Board, follows remuneration practices that are intended to drive meritocracy and performance based on a prudent risk management framework and in line with the RBI guidelines. The NRC has oversight over compensation to senior management personnel and also provides overall guidance to the compensation paid to other employees. While the Bank seeks to achieve a mix of fixed and variable (cash and non-cash) remuneration for employees covered under the new Compensation Policy, for all other employees, it has predominantly a fixed remuneration structure with no guaranteed

bonuses. Also, the remuneration of employees in financial and risk control functions is not linked to business outcomes and solely depends on their performance. Further, the Bank has an Employee Stock Option Scheme for eligible employees aimed at aligning compensation to long term performance through stock options that vest over a period of time.

Effective governance of compensation: The NRC has oversight over compensation to senior management personnel and also provides overall guidance to the compensation paid to other employees.

Alignment of compensation philosophy with prudent risk taking: While the Bank seeks to achieve a mix of fixed and variable (cash and non-cash) remuneration for employees covered under the new Compensation Policy, for all other employees, it has predominantly a fixed remuneration structure with no guaranteed bonuses. Also, the remuneration of employees in financial and risk control functions is not linked to business outcomes and solely depends on their performance. Further, the Bank has an Employee Stock Option Scheme for eligible employees aimed at aligning compensation to long term performance through stock options that vest over a period of time.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made: Yes; the Compensation Policy was modified and approved during the period. The keys changes included roles identified for Material Risk Takers and Risk Control Staff and change in deferment period for cash variable.

Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee: The remuneration of employees in control functions such as Risk and Compliance depends solely on their performance and is not linked to any business outcomes.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes including the nature and type of the key measures used to take account of these risks:

Overview of the key risks that the Bank takes into account when implementing remuneration

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measures: The Board approves the overall risk management policy including risk framework, limits, etc. The Bank conducts all its business activities within this framework. The NRC while assessing the performance of the Bank and senior management, shall consider adherence to the policies and accordingly make its recommendations to the Board. The evaluation process shall incorporate both qualitative and quantitative aspects including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and mentoring key members of the top and senior management. In order to ensure alignment of remuneration with prudent practices, the NRC takes into account adherence to the risk framework in addition to business performance.

Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure: The evaluation process shall incorporate both qualitative and quantitative aspects including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and mentoring key members of the top and senior management.

Discussion of the ways in which these measures affect remuneration: In order to ensure alignment of remuneration with prudent practices, the NRC takes into account adherence to the risk framework in addition to business performance.

Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration: With the introduction of the new Compensation Policy, the compensation structure of employees covered therein has undergone a change resulting in an increase in overall remuneration.

(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:

Overview of main performance metrics for the Bank, top level business lines and individuals: The main performance metrics include profitability, business growth, asset quality, compliance, and customer service. The assessment of employees

shall be based on their performance with respect to their result areas and shall include the metrics mentioned above.

Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance: The assessment of employees shall be based on their performance with respect to their result areas and shall include the metrics mentioned above.

Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics: In case such an event should occur, the Board/NRC shall review and provide overall guidance on the corrective measures to be taken.

(e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance: Under the new Compensation Policy, the cash variable component will be deferred over 2-3 years and the non-cash variable component (employee stock options) will be deferred over the vesting period as per the extant ESOP Scheme. In case of other employees, where cash variable is not applicable and in case of employees being granted ESOPs, they will be deferred over the vesting period as per the extant ESOP Scheme. In the case of employees covered under the Compensation Policy, all deferred variable compensation would be subjected to malus/clawback arrangements as provided in the RBI guidelines and this would be administered by the NRC.

Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements: In the case of employees covered under the Compensation Policy, all deferred variable compensation would be subjected to malus/clawback arrangements as provided in the RBI guidelines and this would be administered by the NRC.



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(f) Description of the different forms of variable remuneration that the Bank utilises and the rationale for using these different forms:

As per the Compensation Policy, the variable remuneration will comprise of cash and non-cash components.

Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs

across employees or group of employees, a description of the factors that determine the mix and their relative importance: As per the new Compensation Policy, only the employees falling under the categories of Material Risk Takers (MRTs), Risk Control & Compliance Staff (RCS) and All Other Employees (AOEs) and who do not earn performance linked incentives, are eligible for variable remuneration which could be in cash and/or non-cash forms. The Policy also determines the category-wise mix of the variable compensation payable.

13. Disclosure on Remuneration

B) Quantitative Disclosures

Sr. No	Subject	March 31, 2024*	March 31, 2023*
(g)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings : 10 Remuneration paid : ₹ 0.151 crores	Number of meetings : 6 Remuneration paid : ₹ 0.087 crores
(h) (i)	Number of employees having received a variable remuneration award during the financial year.	6	4
(h) (ii)	Number and total amount of sign-on / joining bonus made during the financial year	No : 1, ESOPs : 1,25,000	None***
(h) (iii)	Details of severance pay, in addition to accrued benefits, if any	None	None
(i) (i)	Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	Cash of ₹ 0.96 crores and Non cash as per ESOP scheme of the Bank	None
(i) (ii)	Total amount of deferred remuneration paid out in the financial year	None	None
(j) (i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non deferred.	Fixed Pay : ₹ 9.10 crores Cash Variable : ₹ 1.56 crores (The Cash Variable is deferred as per RBI Guidelines and the Compensation Policy of the Bank) Non-Cash Variable equivalent to Rs 76.51 lacs was awarded and the same is deferred as per ESOP Policy of the Bank	Fixed Pay***: ₹ 5.90 crores Variable : Only Non-Cash Variable was granted (1,65,000 options)
(k) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	None	None
(k) (ii)	Total amount of reductions during the Financial year due to ex post explicit adjustments.	None	None
(k) (iii)	Total amount of reductions during the financial year due to ex post implicit adjustments	None	None
(l)	Numbers of MRT identified	7	8
(m) (i)	Number of cases where malus has been exercised.	None	None

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Sr. No	Subject	March 31, 2024*	March 31, 2023*
(m) (ii)	Number of cases where clawback has been exercised.	None	None
(m) (iii)	Number of cases where both malus and clawback have been exercised.	None	None
(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	₹ 37,076 Deviation - Not Applicable	N.A

*The quantitative disclosures for FY 24 covers MD & CEO and Material Risk Takers only [b(i),b(ii), c(i), d(i)].

The list of MRTs includes changes during FY 24.

For FY 24, the RBI approved Fixed Compensation for MD & CEO was 1.76 crores per annum and the Targetted Variable Pay was 1.5 times the Fixed Pay.

The Variable Pay for FY 23 was paid in FY 24 with deferment as applicable.

**Fixed pay includes basic salary, retirals and perquisites.

*** Only MRTs are considered.

Disclosure on remuneration to Non-Executive Directors

	As at March 31, 2024	As at March 31, 2023
Remuneration by way of sitting fees to the Non-Executive Directors for attending meetings of the Board and its committees	1.18	1.35
Profit related commission to all Non-Executive Directors other than the Chairperson	-	-

14 Other Disclosures

a) Business ratios

Particulars	March 31, 2024	March 31, 2023
i) Interest income as a percentage to Working Funds ¹	14.88%	13.81%
ii) Non-interest income as a percentage to Working Funds ¹	2.06%	1.14%
iii) Cost of Deposits (%) ²	7.60%	6.88%
iv) Net Interest Margin (%) ³	9.80%	9.52%
v) Operating Profit ⁴ as a percentage to Working Funds ¹	4.25%	3.94%
vi) Return on Assets	1.94%	0.91%
vii) Business ⁵ (deposit plus advances) per employee ⁶ (₹ in crore)	2.28	1.98
viii) Profit per employee ⁶ (₹ in crore)	0.03	0.01

- Working funds represent the monthly average of total assets computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.
- Cost of Deposits is the ratio of interest expenses on deposit to daily average of total deposits.
- Net Interest Margin is Net Interest Income/ Average Earning Assets. Net Interest Income = Interest Income – Interest Expense and Average Earning Assets is monthly average of total of net advances, investments and balance with banks and money at call and short notice.
- Operating profit is net profit for the year before provisions and contingencies.
- 'Business' is the total of advances and deposits (net of inter-bank deposits).
- Productivity ratios are based on average monthly employee numbers



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b) Bancassurance Business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

Nature of income	For the year ended March 31, 2024	For the year ended March 31, 2023
For selling life insurance policies	29.14	4.73
For selling non-life insurance policies	2.36	0.74
Total	31.50	5.47

c) Marketing and distribution

The Bank has received ₹ 6.62 Crores fees/remuneration in respect of Marketing and Distribution function (excluding bancassurance business) during the year ended March 31, 2024 (March 31, 2023: ₹ Nil).

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Type of PSLCs	For the year ended March 31, 2024		For the year ended March 31, 2023	
	PSLC bought	PSLC sold	PSLC bought	PSLC sold
Agriculture	200.00	-	20.00	-
Small and Marginal Farmers	-	2,300.00	35.00	1,950.00
Micro Enterprises	300.00	-	100.00	-
General	-	-	-	-
Total	500.00	2,300.00	155.00	1,950.00

e) Provisions and contingencies

Breakup of provisions and contingencies recognised in Profit and Loss Account comprise of:

Provision debited to Profit and Loss Account	March 31, 2024	March 31, 2023
i) Provision for NPI	-	-
ii) Provision towards NPA (Net off write off)	136.72	280.95
iii) Provision made towards Income tax	25.10	14.30
iv) Provision for deferred tax	46.51	8.87
v) Provision for standard assets	5.38	3.91
vi) Provision for depreciation on investment	-	-
vii) Other provision and contingencies*	24.24	(48.26)*
Total	237.95	259.77

* includes reversal of provision on restructured accounts majorly on account of sale of stressed loans and write offs made during the year. Also, refer schedule 18 - note 4(a)

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

As per the 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), The banks are advised to follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the the Reserve Bank in this regard. The Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard.

g) Payment of DICGC Insurance Premium

Particulars	March 31, 2024	March 31, 2023
i) Payment of DICGC Insurance Premium	7.31	4.80
ii) Arrears in payment of DICGC premium	-	-

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15. Employees Stock Option Scheme

The Bank has share-based payment schemes for its employees. Schemes in operation Employee Stock Option Scheme 2016 and Employee Stock Option Scheme 2019. During the year-ended March 31, 2024, the Bank has issued 10,44,942 options (March 31, 2023 : 14,33,850) under the Employee Stock Option Scheme 2019.

The details of the Employee Stock Option Scheme are as under:

Particulars	Employee Stock Option Scheme 2016				
	January 19, 2017	July 27, 2017	March 1, 2018	July 16, 2018	February 5, 2019
Grant Date	January 19, 2017	July 27, 2017	March 1, 2018	July 16, 2018	February 5, 2019
Number of Options granted	15,10,000	5,50,000	3,06,950	4,07,000	7,24,000
Method of Settlement	Equity				
Vesting	25% after one year from the date of grant and every year thereafter.				
Exercisable period	3 years from the Vesting date				
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee				
Exercise Price Per Option	₹ 108	₹ 125	₹ 127	₹ 140	₹ 173

Particulars	Employee Stock Option Scheme 2019					
	November 6, 2019	January 10, 2020	January 1, 2021	October 13, 2021	April 28, 2022	September 13, 2022
Grant Date	November 6, 2019	January 10, 2020	January 1, 2021	October 13, 2021	April 28, 2022	September 13, 2022
Number of Options granted	18,72,100	1,95,000	3,15,000	3,70,000	6,54,500	7,79,350
Method of Settlement	Equity					
Vesting	25% after one year from the date of grant and every year thereafter.					
Exercisable period	3 years from the Vesting date					
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee					
Exercise Price Per Option	₹ 196	₹ 196	₹ 253	₹ 189	₹ 137	₹ 114

Particulars	Employee Stock Option Scheme 2019		
	July 25, 2023	November 08, 2023	January 24, 2024
Grant Date	July 25, 2023	November 08, 2023	January 24, 2024
Number of Options granted	7,79,942	75,000	1,90,000
Method of Settlement	Equity		
Vesting	25% after one year from the date of grant and every year thereafter.		
Exercisable period	3 years from the Vesting date		
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee		
Exercise Price Per Option	₹ 176	₹ 165	₹ 163

Following are the outstanding options as at year end:

Particulars	Employee Stock Option Scheme 2016		Employee Stock Option Scheme 2019	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Total Options granted and outstanding at the beginning of the year	2,73,663	4,16,525	22,30,560	15,72,135
Add: Options granted during the year	-	-	10,44,942	14,33,850
Less: Options forfeited / lapsed during the year	1,55,725	1,42,862	5,33,982	7,75,425
Less : Options exercised during the year	23,574	-	18,375	-
Options Outstanding as at end of the year	94,364	2,73,663	27,23,145	22,30,560



Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Employee Stock Option Scheme 2016		Employee Stock Option Scheme 2019	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
- Vested	91,864	2,71,163	7,75,939	5,21,760
- Yet to Vest	2,500	2,500	19,47,206	17,08,800

The value of options have been estimated on the date of the grant using Black-Scholes model.

Variables	Employee Stock Option Scheme 2016 - Grant 1			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.50%	5.50%	5.50%	5.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.68%	39.61%	38.41%	40.66%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	42.82	48.32	53.26	60.00

Variables	Employee Stock Option Scheme 2016 - Grant 2			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.50%	5.50%	5.50%	5.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	38.88%	38.78%	37.41%	39.34%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	37.43	44.74	49.95	57.16

Variables	Employee Stock Option Scheme 2016 - Grant 3			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.50%	6.50%	6.50%	6.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	39.35%	39.32%	38.05%	37.08%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	39.68	47.58	53.37	58.52

Variables	Employee Stock Option Scheme 2016 - Grant 4			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.65%	6.70%	6.70%	6.75%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	33.05%	37.71%	38.38%	37.34%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	38.86	51.12	59.19	65.01

Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Variables	Employee Stock Option Scheme 2016 - Grant 5			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.38%	7.38%	7.38%	7.38%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	30.63%	38.03%	37.18%	37.28%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	47.50	65.37	74.07	82.60

Variables	Employee Stock Option Scheme 2019 - Grant 1			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.50%	6.50%	6.50%	6.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	32.19%	32.81%	37.19%	37.63%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	54.00	66.17	81.67	91.40

Variables	Employee Stock Option Scheme 2019 - Grant 2			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.56%	6.56%	6.56%	6.56%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	32.64%	31.90%	37.22%	36.75%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	54.62	65.29	81.90	90.49

Variables	Employee Stock Option Scheme 2019 - Grant 3			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.93%	5.93%	5.93%	5.93%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	48.88%	44.66%	41.93%	43.95%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	90.64	101.01	110.29	125.47

Variables	Employee Stock Option Scheme 2019 - Grant 4			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.28%	6.28%	6.28%	6.28%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	51.31%	46.61%	43.19%	42.08%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	70.62	78.30	84.76	92.38



Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Variables	Employee Stock Option Scheme 2019 - Grant 5			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.08%	7.08%	7.08%	7.08%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	48.02%	45.04%	42.89%	44.47%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	49.84	56.85	62.84	70.91

Variables	Employee Stock Option Scheme 2019 - Grant 6			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.20%	7.20%	7.20%	7.20%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	50.03%	46.55%	43.92%	42.68%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	43.02	48.73	53.51	58.28

Variables	Employee Stock Option Scheme 2019 - Grant 7			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.09%	7.09%	7.09%	7.09%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	42.40%	50.73%	47.27%	45.16%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	58.75	78.73	85.36	91.77

Variables	Employee Stock Option Scheme 2019 - Grant 8			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.28%	7.28%	7.28%	7.28%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	40.16%	42.99%	47.19%	44.66%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	53.64	67.10	80.67	86.34

Variables	Employee Stock Option Scheme 2019 - Grant 9			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.98%	7.01%	7.03%	7.04%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.34%	41.89%	47.89%	45.16%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	53.44	64.60	79.71	85.06

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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Amount spent during the the financial year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee stock option expenditure (included in schedule 16 (I))	3.76	2.53

Particulars	As at March 31, 2024	As at March 31, 2023
Employee stock options outstanding account (included in schedule 2 (V))	10.10	8.78

The Expected life of the stock option is based on historical data and current expectation and is not necessarily indicative of the pattern that may occur.

The expected volatility reflects the assumption that the historical volatility of a comparable listed entity for 6 years period ended on the date of the grant is indication of future trends which may not necessarily be the actual outcome.

16. Segment Reporting

Business segments have been identified and reported taking into account, the customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the guidelines prescribed by the RBI. The Bank operates in the following segments:

a) Treasury

Treasury performs liquidity management activities for various business segments. Transfer pricing is based on internally approved yield curve or at an agreed transfer rate on the funding provided by treasury to another business segment.

b) Retail banking

The retail banking segment serves retail customers through a branch network. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof.

Revenues of the retail banking segment are primarily derived from interest and fees earned on retail loans, interest on deposits placed as collateral with the Bank. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

c) Corporate banking / Wholesale

Wholesale banking includes all advances to borrowers, which are not included under Retail banking. Revenues of the wholesale banking segment consist of interest on loans made to customers.

d) Other Banking Operation

Other Banking includes other items not attributable to any particular business segment. This segment includes income from para banking activities such as distribution of third party product and the associated costs.

e) Unallocated

All items which are reckoned at an enterprise level are classified under this segment. This includes other unallocable assets and liabilities such as deferred tax etc.



Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Geographical segments

The business operations of the Bank are concentrated in India hence the Bank is considered to operate only in domestic segment.

Segment reporting for the year ended March 31, 2024 is given below:

Particulars	Treasury	Retail banking	Corporate Banking	Other banking operations	Total
Segment Revenue	206.92	1,705.21	100.18	31.73	2,044.04
Segment Result	(38.82)	358.08	(23.89)	-	295.37
Unallocated expenses					(7.80)
Operating Profit					287.57
Income taxes					71.61
Extraordinary profit/loss					-
Net Profit					215.96
Other information:					
Segment assets	3,740.70	7,544.09	1,022.41	19.61	12,326.81
Unallocated assets					50.88
Total assets					12,377.69
Segment Liabilities	2,548.42	5,316.14	2,701.94	3.97	10,570.47
Unallocated liabilities					2.26
Total liabilities					10,572.73
Capital employed					1,804.96
Capital expenditure					40.38
Depreciation					51.35

1. Inter-segment revenue is based on internally approved yield curve or at an agreed transfer rate on the funding provided by one business segment to another. Transaction cost is levied between segments on cost plus basis.
2. The RBI vide its circular No. RBI/2022-23/19/DOR.AUT.REC.12/2022-23 dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. At present, the Bank does not have DBUs and hence no Digital Banking Segment disclosure have been made.

Particulars	Treasury	Retail banking	Corporate	Other banking operations	Total
Segment Revenue	126.97	1,263.24	47.81	5.49	1,443.51
Segment Result	(47.27)	138.62	15.04	-	106.39
Unallocated expenses					(5.53)
Operating Profit					100.86
Income taxes					23.16
Extraordinary profit/loss					-
Net Profit					77.70
Other information:					
Segment assets	3,368.85	5,567.29	812.78	4.46	9,753.38
Unallocated assets					107.85
Total assets					9,861.23
Segment Liabilities	2,815.09	3,700.57	1,762.00	3.11	8,280.77
Unallocated liabilities					(4.28)
Total liabilities					8,276.49
Capital employed					1,584.73
Capital expenditure					140.52
Depreciation					43.33

Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

17. Employee benefits

Employee benefits - Gratuity

The Bank has non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and years of service. Every employee who has completed five years or more of service gets a gratuity on cessation of employment at 15 days salary (last drawn basic salary) for each completed year of service, subject to a maximum of ₹ 20 Lakhs (March 31, 2023: ₹ 20 Lakhs). The scheme is funded with LIC of India and HDFC Standard Life Insurance Company Ltd. The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet.

Expenses recognised in the Profit and Loss Account	March 31, 2024	March 31, 2023
Current service cost	2.94	2.66
Interest cost on benefit obligation	0.66	0.48
Past Service Cost	0.23	-
Expected return on plan assets*	(0.02)	(0.01)
Net actuarial (gain)/ loss recognized in the year	1.17	(1.35)
Employer Expenses	4.98	1.78

* Represents expected returns determined by the actuary

Net Liability/ (Asset) recognised in the Balance Sheet	March 31, 2024	March 31, 2023
Present value of Defined Benefit Obligation	12.64	9.33
Fair value of plan assets	(0.10)	(0.13)
Net liability recognized in balance sheet	12.54	9.20
Less: Unrecognised Past Service Cost		
Liability recognized in balance sheet	12.54	9.20
of which, Short term provision	2.58	1.78

Reconciliation of Defined Benefit Obligation (DBO)	March 31, 2024	March 31, 2023
Present Value of DBO at start of year	9.33	8.83
Interest cost	0.66	0.48
Current service cost	2.94	2.66
Past Service Cost	0.23	
Benefits paid	(1.71)	(1.29)
Actuarial loss	1.18	(1.35)
Present Value of DBO at end of year	12.63	9.33

Reconciliation of Fair Value of Plan Assets	March 31, 2024	March 31, 2023
Fair Value of Plan Assets at start of year	0.13	0.17
Expected return on plan assets	0.02	0.01
Contributions by the employer	1.65	1.25
Benefits paid	(1.71)	(1.29)
Actuarial (loss)/gain	0.01	(0.01)
Fair value of plan assets at end of year	0.10	0.13
Estimated employer contributions for the next year	1.50	1.50
Actual return on plan assets	0.03	0.00



Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

The principal assumptions used in determining gratuity obligations for the Bank's plan are shown below:	March 31, 2024	March 31, 2023
Discount rate	6.90%	7.10%
Expected rate of return on assets	7.10%	5.40%
Employee turnover	30.00%	30.00%
Salary growth rate	7.50%	7.50%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	2.5 Years	2 Years

Percentage break-down of total plan assets	March 31, 2024	March 31, 2023
Insurer Managed Funds (non unit-linked)	40.00%	28.00%
Insurer Managed Funds (unit-linked)	60.00%	72.00%
Total	100.00%	100.00%

Planned Asset Break up for Unit Linked Fund (Balanced Managed Fund)	March 31, 2024	March 31, 2023
Equities	44.35%	43.60%
Debentures and Bonds	12.34%	17.39%
Government Securities	41.49%	32.43%
Deposits, Money market instruments and net current assets	1.82%	6.58%
Total	100.00%	100.00%

Planned Asset Break up for Unit Linked Fund (Secure Managed Fund)	March 31, 2024	March 31, 2023
Debentures and Bonds	36.38%	45.46%
Government Securities	60.70%	47.16%
Deposits, Money market instruments and net current assets	2.93%	7.38%
Total	100.00%	100.00%

Planned Asset Break up for Non Linked Fund	March 31, 2024	March 31, 2023
Government Securities	43.52%	46.93%
Corporate Bonds	50.54%	50.36%
Cash and Deposit	5.95%	2.71%
Total	100.00%	100.00%

Experience Adjustments	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Present Value of DBO	12.64	9.33	8.83	7.65	5.82
Less: Fair Valuation of Plan Assets	(0.10)	(0.13)	0.17	0.11	0.37
Funded Status [Surplus/(Deficit)]	12.54	9.20	(8.66)	(7.54)	(5.45)
Experience adjustment on plan liabilities : (Gain) / Loss	1.09	(0.07)	0.36	0.13	0.20
Experience adjustment on plan Assets : Gain / (Loss)	0.01	(0.01)	0.04	0.00	0.02

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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Employee benefits - Leave Availment

The actuarial liability in respect of privilege leave granted to employees of the Bank and outstanding as at March 31, 2024 is ₹ 1.29 crore (March 31, 2023: ₹ 0.91 crores).

Assumption used :

Discount rate : 6.9%

Salary escalation rate : 7.5%

The estimates of future salary growth considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

All the assets consist of unit-linked and traditional insurer managed debt instruments, the expected rate of return on assets is drawn from the Indian Government bond yields.

Employee benefits - Provident Fund

The contribution to Employees Provident Fund included under "Payments to and Provisions for Employees" in Schedule 16 amounted to ₹ 18.36 crores for the year ended March 31, 2024 (March 31, 2023: ₹ 13.47 crores).

18. Earnings per equity share

Particulars	March 31, 2024	March 31, 2023
Net profit after tax (in crore)	215.96	77.69
Weighted average number of equity shares in computing the basic earnings per share	10,61,62,703	10,61,58,749
Basic earnings per share	20.34	7.32
Weighted average number of equity shares in computing the diluted earnings per share	10,63,65,111	10,61,58,749
Diluted earnings per share	20.15	7.32
Nominal value per Share (₹)	10.00	10.00

Reconciliation of weighted average number of equity share

Particulars	March 31, 2024	March 31, 2023
Weighted average number of equity shares in computing the basic earnings per share	10,61,62,703	10,61,58,749
Effect of potential equity shares outstanding	2,02,408	-
Weighted average number of equity shares in computing the diluted earnings per share	10,63,65,111	10,61,58,749

Basic earnings per equity share is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit or loss after tax for the year attributable to equity shareholder by weighted average number of equity shares including potential equity shares outstanding as at the end of the year, except when results are anti dilutive.



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(All amounts are in Indian Rupees in crore unless otherwise stated)

19. Deferred taxes

As at March 31, 2024, the Bank has recorded net deferred tax asset of ₹ 50.88 crores (March 31, 2023 : ₹ 97.44 crores), included in other assets.

Particulars	March 31, 2024	March 31, 2023
A) Deferred tax asset arising out of:		
Loan loss provision	50.94	100.02
Employee benefits	6.93	2.55
Others	0.01	0.04
Total (A)	57.88	102.61
B) Deferred tax liability arising out of:		
Depreciation	(7.00)	(5.17)
Total (B)	(7.00)	(5.17)
Deferred tax asset (net) (A-B)	50.88	97.44

20. Other Additional Disclosures

a) Provision on Standard Assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision towards standard assets	28.76	23.38

b) Contingent liabilities

Particulars	March 31, 2024	March 31, 2023
Service tax liability	0.69	0.66
Income tax liability	3.60	3.49
Undrawn commitments	0.07	0.12
Others	0.02	18.02
Total	4.38	22.29

Description of contingent liabilities

i) Claims against the Bank not acknowledged as debts - taxation

The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and taxation laws.

ii) Claims against the Bank not acknowledged as debts - others

The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.

Schedules to the Financial Statements

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(All amounts are in Indian Rupees in crore unless otherwise stated)

c) Leases

Operating lease primarily comprises of office premises, computers and tablets, which are renewable at the option of the Bank. The following table sets forth the details of future rentals payable on operating leases :

Particulars	March 31, 2024	March 31, 2023
Not later than one year	15.40	4.31
Later than one year but not later than five years	27.17	6.33
Later than five years	-	-
Total	42.57	10.64
The total lease payments recognised in the Statement of Profit and Loss account for the year	36.99	28.28
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases	-	-
Sub-lease amounts recognized in the Profit and Loss Account for the year	-	-
Contingent (usage based) lease payments recognized in the Profit and Loss Account for the year	-	-

The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreement.

d) Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Bank during the year ended March 31, 2024 is ₹ 0.07 crore (March 31, 2023 ₹ 0.26 crores) under section 135 of the Companies Act, 2013.

Particulars	March 31, 2024	March 31, 2023
a) Gross amount required to be spent by the Bank during the year	0.07*	0.26
b) Amount spent during the year		
i) Construction/ acquisition of asset		
ii) on purpose other than (i) above	1.32	0.23
c) Previous years surplus	-	0.03
Total	1.32	0.26
d) Nature of CSR activities	Livelihood promotion, literacy, women empowerment, preventive healthcare and environment conservation.	

* Gross amount required to be spent by the Bank during the year includes unspent for the preceeding financial years of ₹ 0.07 crore, which was transferred to Unspent CSR Account as per Section 135(6).

e) Details of payment of Audit fees

Particulars	March 31, 2024	March 31, 2023
Statutory Audit fees and other related services*	1.12	1.05
Other matters	-	-
Total	1.12	1.05

*Includes out of pocket expenses.

f) (i) Miscellaneous income more than 1% of total income

Particulars	March 31, 2024	March 31, 2023
Income on Priority sector lending certificates	38.79	36.88



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for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

f) (ii) Other Expenditure more than 1% of total income

Particulars	March 31, 2024	March 31, 2023
Premium paid to CGFMU	52.63	-
Brokerage (includes loan acquisition commission)	41.28	31.58
Loss on transfer of stressed assets	-	21.53
Professional fees (includes payment to outsourced vendors)	34.40	21.27

g) There are no such items in other assets and in other liabilities exceeding 1% of total assets to be disclosed as per Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021, updated as on February 20, 2023.

h) Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

The Bank has restructured accounts in accordance with RBI circular on Micro, Small and Medium enterprise (MSME) sector) - Restructuring of advances

- Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) – RBI/2021-22/32/DOR.STR.REC.12/21.04.048/2021-22.
- Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020.

Particulars	As at March 31, 2024*	As at March 31, 2023
No. of accounts restructured	46*	227*
Amount in ₹ crore	3.18	5.78

*Excludes Accounts Sold to ARC and Technical Write Offs.

i) Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank

During the year ended March 31, 2024, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed as per the extant RBI guidelines. (March 31, 2023 : ₹ Nil)

j) Inter- Bank Participation with Risk Sharing

The aggregate amount of participations issued by the Bank are reduced from Advances as per regulatory guidelines as on March 31, 2024 is ₹ 400 Crores (March 31, 2023: ₹ Nil)

k) Related party disclosure

The Bank has only one related party i.e. Mr. Baskar Babu Ramachandran, Managing Director (MD) and Chief Executive Officer (CEO). Hence, related party transactions are not disclosed as per the exemption provided in the RBI Master circular on 'Disclosure in Financial Statements' Notes to Accounts dated July 1, 2015.

l) Small and micro industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium

enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments (March 31, 2023: ₹ Nil).

m) Letter of Comfort

The Bank has not issued letter of comfort during the year ended March 31, 2024 (March 31, 2023: ₹ Nil).

n) Investor education and protection fund

There were no amounts which were required to be transferred to the Investor education and protection fund by the Bank during the year ended March 31, 2024 (March 31, 2023: ₹ 1,526.00 [in absolute numbers]).

o) Disclosure on the scheme for sustainable structuring of stressed assets

The Bank does not have any account under the Scheme for Sustainable Structuring of Stressed Assets (S4A) as on March 31, 2024 (March 31, 2023: ₹ Nil).

p) Disclosure on flexible structuring of existing loans

The Bank does not have any account under the Scheme Flexible Structuring of Existing Loans as on March 31, 2024 (March 31, 2023: ₹ Nil).

Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

q) Disclosure on strategic debt restructuring (SDR) scheme

The Bank does not have any account under the strategic debt restructuring (SDR) scheme as on March 31, 2024 (March 31, 2023: ₹ Nil).

r) Disclosure on change in ownership of project under implementation

The Bank does not have any account which are currently under the scheme of Change in Ownership of Projects Under Implementation as on March 31, 2024 (March 31, 2023: ₹ Nil).

s) Disclosure on change in ownership outside SDR scheme

The Bank does not have any account which are currently under the scheme of Change in Ownership Outside SDR as on March 31, 2024 (March 31, 2023: ₹ Nil).

t) The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

u) No proceedings have been initiated on or are pending against the Bank for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

v) The Bank has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

w) The Bank, as part of its normal banking business, that is conducted ensuring adherence to all regulatory requirements, grants loans and advances, makes investments and accepts deposits and borrowings from its customer, other entities and persons. (i) Other than the transactions described above which are carried out in the normal course of business, the Bank has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. (ii) The Bank has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Bank shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

x) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

y) Disclosure on Green Deposits

During the year 2023-24, the Bank has not raised Green deposits and hence the Portfolio level information on use of funds and reporting on allocation of proceeds of Green deposits to green activities/projects as mentioned in circular RBI/2023-24/14 DOR.SFG.REC.10/30.01.021/2023-24 dated April 11, 2023 is not applicable.

As per our report of even date

For **Walker Chandiook & Co LLP**
 Chartered Accountants
 Firm Registration No: 001076N/N500013

Sudhir N. Pillai
 Partner
 Membership No: 105782

Place: Navi Mumbai
 Date: May 09, 2024

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Krishna Nair Prasad
 Chairperson
 DIN-02611496

Krishna Kant Chaturvedi
 Company Secretary

Baskar Babu Ramachandran
 Managing Director and
 Chief Executive Officer
 DIN-02303132

Kanishka Chaudhary
 Chief Financial Officer

Jyotin Mehta
 Director
 DIN-00033518



Annexure I to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Net Stable Funding Ratio (NSFR)

As per the RBI guideline vide circular RBI circular RBI/2017-18/178 DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018, RBI/2020-21/95 DOR.No.LRG.BC.40/21.04.098/2020-21 dated February 06, 2021 and RBI/2020-21 DOR.BP.BC.No.16/21.04.098/2020-21 dated September 06, 2021 is required to maintain the NSFR on an ongoing basis. The objective of NSFR is to ensure that banks maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of a bank's liquidity position due to disruptions in a bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability. The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. The above ratio should be equal to at least 100% on an ongoing basis. The NSFR as on March 31, 2024 was at 151.70% (March 31, 2023: 139.03%).

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) for year ended March 31, 2024:

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital (2+3)	1,893.72	0.00	0.00	40.00	1,933.72
2 Regulatory capital	1,893.72	0.00	0.00	40.00	1,933.72
3 Other capital instruments	0.00	0.00	0.00	0.00	0.00
4 Retail deposits and deposits from small business customers: (5+6)	897.37	364.13	496.50	3,135.92	4,718.12
5 Stable deposits	0.00	0.00	0.00	0.00	0.00
6 Less stable deposits	897.37	364.13	496.50	3,135.92	4,718.12
7 Wholesale funding: (8+9)	669.70	1,505.12	1,496.10	1,555.41	3,060.99
8 Operational deposits	0.00	0.00	0.00	0.00	0.00
9 Other wholesale funding	669.70	1,505.12	1,496.10	1,555.41	3,060.99
10 Other liabilities: (11+12)	323.72	0.00	0.00	0.00	0.00
11 NSFR derivative liabilities		0.00	0.00	0.00	0.00
12 All other liabilities and equity not included in the above categories	323.72	0.00	0.00	0.00	0.00
13 Total ASF (1+4+7+10)					9,712.83
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					465.43
15 Deposits held at other financial institutions for operational purposes	38.32	0.00	0.00	0.00	19.16
16 Performing loans and securities: (17+18+19+21+23)	0.00	4,034.59		4,301.48	5,374.29
17 Performing loans to financial institutions secured by Level 1 HQLA	0.00	271.53	0.00	0.00	27.15
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	349.30	217.80	337.39	498.68
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	1,603.69	1,566.71	3,208.31	4,322.17

Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	3.50	2.69	2.15	4.49
21 Performing residential mortgages, of which:	0.00	12.53	13.03	755.77	526.29
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	11.54	12.00	644.52	430.71
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	0.00	0.00
24 Other assets: (sum of rows 25 to 29)	170.52	304.58	4.56	215.83	536.09
25 Physical traded commodities, including gold	0.00				0.00
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	32.22	27.39
27 NSFR derivative assets		0.00	0.00	0.00	0.00
28 NSFR derivative liabilities before deduction of variation margin posted		0.00	0.00	0.00	0.00
29 All other assets not included in the above categories	170.52	304.58	4.56	183.61	508.70
30 Off-balance sheet items			149.71		7.49
31 Total RSF (14+15+16+24+30)					6,402.47
32 Net Stable Funding Ratio (%)					151.70%

i) Quantitative disclosure on Net Stable Funding Ratio (NSFR) for year ended March 31, 2023:

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item					
1 Capital (2+3)	1,893.72	0.00	0.00	40.00	1,933.72
2 Regulatory capital	1,893.72	0.00	0.00	40.00	1,933.72
3 Other capital instruments	0.00	0.00	0.00	0.00	0.00
4 Retail deposits and deposits from small business customers: (5+6)	897.37	364.13	496.50	3,135.92	4,718.12
5 Stable deposits	0.00	0.00	0.00	0.00	0.00
6 Less stable deposits	897.37	364.13	496.50	3,135.92	4,718.12
7 Wholesale funding: (8+9)	669.70	1,505.12	1,496.10	1,555.41	3,060.99
8 Operational deposits	0.00	0.00	0.00	0.00	0.00
9 Other wholesale funding	669.70	1,505.12	1,496.10	1,555.41	3,060.99
10 Other liabilities: (11+12)	323.72	0.00	0.00	0.00	0.00
11 NSFR derivative liabilities		0.00	0.00	0.00	0.00
12 All other liabilities and equity not included in the above categories	323.72	0.00	0.00	0.00	0.00
13 Total ASF (1+4+7+10)	3,784.51	1,869.25	1,992.59	4,731.33	9,712.83
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)	0.00	524.00	756.04	2,027.75	465.43



Schedules to the Financial Statements

for the year ended March 31, 2024

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
15 Deposits held at other financial institutions for operational purposes	38.32	0.00	0.00	0.00	19.16
16 Performing loans and securities: (17+18+19+21+23)	0.00	4,034.59		4,301.48	5,374.29
17 Performing loans to financial institutions secured by Level 1 HQLA	0.00	271.53	0.00	0.00	27.15
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	349.30	217.80	337.39	498.68
19 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	1,603.69	1,566.71	3,208.31	4,322.17
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24 Other assets: (sum of rows 25 to 29)	170.52	304.58	4.56	215.83	536.09
25 Physical traded commodities, including gold	0.00				0.00
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27 NSFR derivative assets	0.00	0.00	0.00	0.00	0.00
28 NSFR derivative liabilities before deduction of variation margin posted	0.00	0.00	0.00	0.00	0.00
29 All other assets not included in the above categories	170.52	304.58	4.56	183.61	508.70
30 Off-balance sheet items		149.71			7.49
31 Total RSF (14+15+16+24+30)	208.85	#REF!	4795.194883	6545.059602	6,402.47
32 Net Stable Funding Ratio (%)					151.70%

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Baskar Babu Ramachandran
Managing Director and
Chief Executive Officer
DIN-02303132

Krishna Kant Chaturvedi
Company Secretary

Place: Navi Mumbai
Date: May 09, 2024

Jyotin Mehta
Director
DIN-00033518

Kanishka Chaudhary
Chief Financial Officer

Krishna Nair Prasad
Chairperson
DIN-02611496



Suryoday Small Finance Bank Limited

Registered and Corporate Office:

1101 Sharda Terraces, Plot 65, Sector 11, CBD Belapur,
Navi Mumbai - 400 614

