

August 20, 2025

Ref.: SSFB/CS/44/2025-26

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 Seventeenth (17th) Annual General Meeting along with Annual Report for the Financial Year 2024-25 and intimation of Book Closure Date and Cut-off date for e-voting

In continuation to the Bank's Letter No. SSFB/CS/42/2025-26 dated August 19, 2025, we would like to inform that the Seventeenth (17th) Annual General Meeting ("AGM") of the members of Suryoday Small Finance Bank Limited (the "Bank") will be held on **Thursday, September 11, 2025 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 convening the 17th AGM of the Bank ("AGM Notice") along with Annual Report for the Financial Year 2024-25. The same is also made available on the website of the Bank at: <https://www.suryodaybank.com/investor-corner/#shareholders-meeting>.

In accordance with the applicable provisions of the Act and rules made thereunder and the SEBI Listing Regulations, the Bank is providing the facility to the Members holding shares in dematerialized as well as in physical form to exercise their rights to vote by way of electronic means ("e-voting") on any or all the Resolution(s) specified in the AGM Notice. Members may cast their votes remotely on the Resolutions proposed to be passed at the AGM, using electronic voting facility ("remote e-voting"), within the dates mentioned in the AGM Notice. The Bank is also offering the facility to the Members to cast their votes electronically during the AGM ("InstaPoll"). Accordingly, the Bank has fixed **Thursday, September 04, 2025**, as the Cut-off date for the purpose of determining the eligibility of the Members to vote either through remote e-voting or through InstaPoll during AGM in the manner specified in the AGM Notice. It may be noted that the Members attending the AGM and have not cast their vote(s) using the remote e-voting facility will be able to vote during the AGM using InstaPoll facility. The Members may please 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 AGM Notice along with the Annual Report for the Financial Year 2024-25 today, i.e., August 20, 2025, through electronic mode to all the eligible Shareholders, whose email IDs are registered with the Bank/Depositories/RTA. Further, a letter providing the web-link, including the exact path, for accessing the AGM Notice and Annual Report for the Financial Year 2024-25, would be sent to those Shareholders who have not registered their email IDs in accordance with the provisions of SEBI Listing Regulations and other applicable Regulations in this regard.

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 05, 2025, to Thursday, September 11, 2025 (both days inclusive)**.

The Brief details of the business(es) proposed to be transacted at the 17th AGM through e-voting, are enclosed as **Annexure 1**.

This intimation will also be made available on the Bank's website at <https://www.suryodaybank.com/investor-corner/#shareholders-meeting> and <https://www.suryodaybank.com/investor-corner/#disclosure-to-stock-exchanges>.

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

Thanking You.

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

KRISHNA
 KANT
 CHATURVEDI
 Digitally signed by
 KRISHNA KANT
 CHATURVEDI
 Date: 2025.08.20
 21:24:56 +05'30'

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

CC: National Securities Depository Limited 301, 3 rd Floor, Naman Chambers, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051	Central Depository Services (India) Limited Marathon Futorex, A-Wing, 25 th Floor, NM Joshi Marg, Lower Parel, Mumbai 400013
KFin Technologies Limited (Formerly known as <i>KFin Technologies Private Limited</i>) Unit: Suryoday Small Finance Bank Limited, Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telegana-500 032, India	

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Annexure-1
Brief details of the business(es) to be transacted at the 17th Annual General Meeting of the Bank:

Sr No.	Description	Type of Resolution (Ordinary /Special)
<u>Ordinary Business:</u>		
1.	To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2025, and the Reports of the Board of Directors and the Auditors thereon	Ordinary Resolution
2.	To approve the appointment of Mr. Ranjit Jayant Shah (DIN: 00088405) as a Director, who retires by rotation, and being eligible, offers himself for re-appointment	Ordinary Resolution
3.	To approve the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W), as one of the Joint Statutory Auditors of the Bank [along with existing Statutory Auditors, M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration No. 106655W), both the Auditors to be termed as 'Joint Statutory Auditors'], and fixation of the remuneration payable to the Joint Statutory Auditors	Ordinary Resolution
<u>Special Business:</u>		
4.	To approve the appointment and remuneration payable to M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries (LLPIN - ACL-9350 Unique Code: L2025MH018100) as Secretarial Auditors of the Bank	Ordinary Resolution
5.	To approve the re-appointment of Mr. Baskar Babu Ramachandran (DIN: 02303132) as Managing Director & Chief Executive Officer of the Bank	Special Resolution
6.	To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2025-26	Special Resolution
7.	To approve the Remuneration Payable to Mr. Hemant Premchand Shah (DIN: 10548728), Whole-time Director (Executive Director) of the Bank for the Financial Year 2025-26	Ordinary Resolution

For Suryoday Small Finance Bank Limited

Digitally signed by
 KRISHNA KANT
 CHATURVEDI
 Date: 2025.08.20 21:25:23
 +05'30'

Krishna Kant Chaturvedi
Company Secretary & Compliance Officer

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

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 4094 1556 **Email:** company.secretary@suryodaybank.com**Website:** www.suryodaybank.com**NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Seventeenth (17th) Annual General Meeting ("AGM") of the Members of Suryoday Small Finance Bank Limited (the "Bank") will be held on **Thursday, September 11, 2025, at 03:30 p.m.** Indian Standard Time ("IST") through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2025, and the Reports of the Board of Directors and the 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, 2025, including the Balance Sheet as at March 31, 2025, 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 approve the appointment of 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, read with relevant rules made thereunder 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], the rules, circulars, guidelines and notifications issued by the Reserve Bank of India in this regard, from time to time, and the provisions of the Articles of Association of the Bank, 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 a Non-Executive Non-Independent Investor Director of the Bank, liable to retire by rotation."

3. **To approve the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W), as one of the Joint Statutory Auditors of the Bank [along with existing Statutory Auditors, M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration No. 106655W), both the Auditors to be termed as 'Joint Statutory Auditors'], and fixation of the remuneration payable to the Joint Statutory Auditors 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 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], read with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' issued by the Reserve Bank of India ("RBI") vide Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 and other Rules, Circulars, Guidelines And Notifications issued by the RBI in this regard from time to time, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), the provisions of the Articles of Association of Suryoday Small Finance Bank Limited (the "Bank"), the Bank's Policy on appointment of the Statutory Auditors and pursuant to the approval granted by the RBI vide their letter Ref.CO. DOS. RPD. No. S3409/08.62.005/2025-26 dated July 28, 2025, and as recommended by the Audit Committee of the Board and the Board of Directors of the Bank, approval of the Members, be and is hereby accorded for the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W), who have confirmed their eligibility in terms of Section 141 of the Act and applicable rules made thereunder, as one of the Joint Statutory Auditors of the Bank, to hold office for a period of Three (3) years, commencing from the conclusion of the Seventeenth (17th) Annual General Meeting ("AGM") until the conclusion of the Twentieth (20th) AGM of the Bank to be held in year 2028, for the purpose of audit of the Bank's Financial Statements for the Financial Years 2025-26 to 2027-28, subject to the fulfilment of the eligibility norms each year as per the RBI Guidelines and approval of RBI on an annual basis during their tenure.

RESOLVED FURTHER THAT pursuant to the abovementioned RBI Guidelines for appointment of Statutory Auditors, and the approval granted by the RBI vide letter no. Ref.CO. DOS. RPD. No. S3409/08.62.005/2025-26 dated July 28, 2025, the existing Statutory Auditors M/s. Mukund M Chitale & Co., Chartered Accountants, (Firm Registration No. 106655W), who were appointed by the Member at the Sixteenth (16th) AGM of the Bank held on September 12, 2024 to hold office till conclusion of Nineteenth (19th) AGM to be held in year 2027, subject to approval of RBI every year, along with M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W), would be termed as Joint Statutory Auditors of the Bank.

RESOLVED FURTHER THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Act read with rules made thereunder and applicable provisions of the Banking Regulation Act, 1949, the SEBI Listing Regulations, the overall Audit fees (i.e. Fees towards Statutory Audit & Limited Review) payable to M/s. Mukund M Chitale & Co. and M/s. Gokhale & Sathe (Joint Statutory Auditors), shall be aggregating to ₹ 85,00,000 (Rupees Eighty Five Lakhs only) for the period, from the conclusion of 17th AGM until the conclusion of 18th AGM to be held in year 2026, to be allocated amongst the Joint Statutory Auditors, as may be mutually agreed between the Bank and the Joint Statutory Auditors, depending upon their respective scope of work, excluding the Fees paid / to be paid for any Certification(s) and other services, as permissible under applicable laws / guidelines, out of pocket expenses, outlays and taxes as applicable, with the power to the Board of Directors (hereinafter referred to as the **"Board"** which term shall 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) to alter and vary the terms of the remuneration during the abovementioned tenure of Joint Statutory Auditors.

RESOLVED FURTHER THAT subject to the provisions of the Act, RBI Guidelines / Circulars and SEBI Listing Regulations, the Audit fees payable to the Joint Statutory Auditors for their remaining tenure, would be decided by the Board and allocated amongst the Joint Statutory Auditors, as may be mutually agreed between the Bank and the Joint Statutory Auditors, depending upon their respective scope of work as Joint Statutory Auditors, excluding the Certification and other services, as permissible under applicable laws / guidelines, out of pocket expenses, outlays and taxes as applicable, and the same shall be disclosed in the Report on Corporate Governance as well as the Annual Financial Statements of the Bank, as per the requirements under applicable provisions.

RESOLVED FURTHER THAT the Board, 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 with regard to said appointment and remuneration, as it may, in its 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 make necessary disclosures/notifications/intimations, and to do all such acts, deeds, matters and things, as may be required or deemed expedient to give effect to the ongoing Resolutions, without being required to seek any further consent or approval of the Members of the Bank in this regard."

SPECIAL BUSINESS:

4. **To approve the appointment and remuneration payable to M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries (LLPIN - ACL-9350 | Unique Code: L2025MH018100) as Secretarial Auditors of the Bank and in this regard, to consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) read with relevant Circulars issued thereunder, from time to time, Section 204 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Circulars, Guidelines and Notifications, if any, issued by the Reserve Bank of India in this regard, and subject to such other applicable Rules, Regulations, Circulars, Notifications, issued by the Ministry of Corporate Affairs (**"MCA"**) and the Securities and Exchange Board of India (**"SEBI"**) or other regulatory authorities, from time to time, and basis the recommendations made by the Audit Committee of Board and the Board of Directors of the Bank, the approval of the Members of the Bank be and is hereby accorded for the appointment of M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries, (LLPIN - ACL-9350 | Unique Code: L2025MH018100) peer reviewed firm of Company Secretaries in Practice, who have offered themselves and confirmed their eligibility to be appointed as Secretarial Auditors of the Bank, to conduct Secretarial Audit for a period of Five (5) consecutive years commencing from financial year 2025-26 till financial year 2029-30 and to provide such other services, including certificates or reports as permissible under applicable provisions of the Act, SEBI Listing Regulations and other applicable provisions, on such terms & conditions, including the remuneration amounting ₹ 2,25,000 (Rupees Two Lakhs and Twenty-five Thousand Only) plus applicable taxes and other out-of-pocket expenses on actuals, in connection with the Secretarial Audit for the Financial Year ending March 31, 2026, excluding the Fees payable for any certifications and other professional services, as permissible under the Act, SEBI Listing Regulations and other applicable SEBI Regulations.

RESOLVED FURTHER THAT subject to the provisions of the Act, SEBI Listing Regulations and other applicable provisions, if any, the Audit fees payable to the Secretarial Auditors for their remaining tenure, would be decided by the Board of Directors (*hereinafter referred to as the "Board" which term shall 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*), as may be mutually agreed between the Bank and the Secretarial Auditors, excluding the Fees payable for any Certification and other services, as permissible under applicable laws / guidelines, out of pocket expenses, outlays and taxes as applicable, and the same shall be disclosed in the Annual Report and other documents of the Bank, as per the requirements under applicable provisions.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolutions, the Board be and is hereby authorised 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 power on behalf of the Bank, to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of roles and responsibilities / scope of work of the Secretarial Auditors, negotiating, finalising, amending, signing, delivering, executing the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank."

5. To approve the re-appointment of Mr. Baskar Babu Ramachandran (DIN: 02303132) as Managing Director & Chief Executive Officer 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 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the "**Act**") as amended from time to time, Section 10B, 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949, and the Rules, Guidelines and Circulars issued by the Reserve Bank of India ("**RBI**") in this regard from time to time, including RBI Circulars issued on Fit & Proper criteria for directors of banks, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws / Regulations, if any, (*including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force*), the provisions of the Articles of Association of the Bank, and in accordance with the Board-approved 'Policy on Appointment of Directors and Senior Managerial Personnel' and Fit & Proper Criteria for Directors, and basis the recommendation made by the Nomination and Remuneration Committee of Board ("**NRC**") and approval of the Board of Directors of the Bank, subject to approval of the RBI, approval of the Members of the Bank, be and is hereby accorded for the re-appointment of Mr. Baskar Babu Ramachandran (DIN:02303132), as Managing Director & Chief Executive Officer ("**MD & CEO**") of the Bank for a further period of Three (3) years with effect from January 23, 2026 to January 22, 2029 (*both days inclusive*) upon such terms and conditions, including remuneration as may be approved by the RBI, with authority to the Board of Directors (*hereinafter referred to as the "Board", which term shall include the NRC or any other Committee as may be empowered by the Board in this regard*) to alter and vary the terms and conditions of the said re-appointment and/or agreement, including any components of the remuneration, as may be necessary from time to time, subject to the requisite approval(s) of the RBI.

RESOLVED FURTHER THAT the office of the MD & CEO shall not be liable to retire by rotation.

RESOLVED FURTHER THAT subject to approval of RBI, the Board, be and is hereby authorised to do all such acts, deeds, matters and things including the power to settle all questions or difficulties or doubts that may arise with regard to the said re-appointment as it may in its absolute discretion deem fit and to execute all such agreements, documents, instruments, writings, etc. 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 foregoing Resolutions."

6. To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2025-26 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 ("**RBI Guidelines**"), 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*], the provisions of the Articles of Associations of the Bank and the 'Policy on Appointment of Directors and Senior Managerial Personnel' and Fit & Proper Criteria for Directors, the Compensation Policy of the Bank and basis the recommendation made by the Nomination and Remuneration Committee of Board ("**NRC**") and approval granted by the Board of Directors of the Bank, subject to approval 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, 2025, as per details given below:

Sr. No.	Particulars	Remuneration paid to the MD & CEO for FY 2024-25, based on the approval granted by the Reserve Bank of India ("RBI") and Members of the Bank	Revised Remuneration for the MD & CEO for FY 2025-26, subject to approval of the RBI
1.	Fixed Remuneration (inclusive of retinals and perquisites)	₹ 194 Lakhs p.a.	₹ 225 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, payable on deferral basis in accordance with the provisions of the said Compensation Policy (approval of RBI for payment of Variable Remuneration for FY 2024-25, 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 comprise of cash component entirely, payable on deferral basis in accordance with 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: Provident Fund: ₹ 10.92 Lakhs p.a. Gratuity: ₹ 4.38 Lakhs p.a. payable at 15 days' Basic Salary for every year of service, as per applicable statute; (no superannuation fund currently). (Both components included in the Fixed Remuneration mentioned at Sr. No. 1. above).	The following amounts, as per applicable Statutory provisions: Provident Fund: ₹ 12.67 Lakhs p.a. Gratuity: ₹ 5.07 Lakhs p.a. payable at 15 days' Basic Salary for every year of service, as per applicable statute; (no superannuation fund currently) (Both components included in the Fixed Remuneration mentioned at Sr. No. 1. above).

RESOLVED FURTHER THAT in accordance with the extant Compensation Policy of the Bank, the remuneration to the MD & CEO will be subject to Malus and Clawback clauses, applicable in such circumstances, as may be determined by 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, the MD & CEO, shall be governed in accordance with the approval of the RBI read with 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 NRC), 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 foregoing Resolution."

7. To approve the Remuneration Payable to Mr. Hemant Premchand Shah (DIN: 10548728), Whole-time Director (Executive Director) of the Bank for the Financial Year 2025-26 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 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 ("RBI Guidelines"), and the rules, other applicable 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, the 'Policy on Appointment of Directors and Senior Managerial Personnel' and Fit & Proper Criteria for Directors, the Compensation Policy of the Bank, and basis the recommendation made by the Nomination and Remuneration Committee of Board ("NRC") and approval granted by 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. Hemant Premchand Shah (DIN: 10548728), Whole-time Director (Executive Director) of the Bank with effect from April 01, 2025, as per details given below:

Sr. No.	Particulars	Remuneration paid to the Whole-time Director (Executive Director) for FY 2024-25, based on the approval granted by the Reserve Bank of India ("RBI") and Members of the Bank	Revised Remuneration for Whole-time Director (Executive Director) for FY 2025-26, subject to approval of the RBI
1.	Fixed Remuneration (inclusive of retinals and perquisites)	₹ 160 Lakhs p.a. (Including, perquisites, if any, and retinals)	₹ 175 Lakhs p.a. (Including, perquisites, if any, and retinals)
2.	Variable Remuneration	In accordance with the Bank's Compensation Policy drawn in line with the RBI Guidelines, the Variable Remuneration shall be upto 1.00 time of the Fixed Remuneration, payable on deferral basis as per the provisions of the said Compensation Policy and subject to the approval of the RBI (approval of RBI for payment of Variable Remuneration for FY 2024-25, as recommended by NRC and Board, is awaited).	In accordance with the Bank's Compensation Policy drawn in line with the RBI Guidelines, the Variable Remuneration shall be upto 1.00 time of the Fixed Remuneration, payable on deferral basis as per the provisions of the said Compensation Policy and subject to the approval of the RBI.
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: Provident Fund: ₹ 9.01 Lakhs p.a. Gratuity: ₹ 3.62 Lakhs p.a. payable at 15 days' Basic Salary for every year of service, as per applicable statute; (no superannuation fund currently). <i>(Both components included in the Fixed Remuneration mentioned at Sr. No. 1. above).</i>	The following amounts, as per applicable Statutory provisions: Provident Fund: ₹ 9.85 Lakhs p.a. Gratuity: ₹ 3.95 Lakhs p.a. payable at 15 days' Basic Salary for every year of service, as per applicable statute; (no superannuation fund currently). <i>(Both components included in the Fixed Remuneration mentioned at Sr. No. 1. above).</i>

RESOLVED FURTHER THAT in accordance with the extant Compensation Policy of the Bank, the remuneration to the Whole-time Director (Executive Director) will be subject to Malus and Clawback clauses, applicable in such circumstances as may be 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 the Whole-time Director (Executive Director) shall be governed by 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 NRC), 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."

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, 2025
Place: Navi Mumbai

By Order of the Board of 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 and the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, setting out material facts relating to the relevant Ordinary/ Special Businesses to be transacted at Annual General Meeting (“AGM”) under Item No. 3 to 7 is annexed to the Notice and the same should be taken as part of this Notice.
- 2) Pursuant to Regulation 36(3) of the SEBI Listing Regulations as amended and the Secretarial Standards on General Meetings issued by the ICSI, as amended (“Secretarial Standard – 2”), the details of Directors retiring by rotation, proposed to be re-appointed, the details of the MD & CEO and the Whole-time Director, whose remuneration are proposed for the Financial Year (“FY”) 2025-26 at the AGM is provided in ‘Annexure 1’, ‘Annexure 2’ and ‘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, 09/2023 dated September 25, 2023 and latest being 09/2024 dated September 19, 2024 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 dated January 05, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and latest being SEBI/ HO/ CFD/ CFD-PoD-2/ P/ CIR/ 2024/ 133 dated October 03, 2024, respectively, and other relevant circulars issued by the MCA and SEBI from time to time, (collectively referred to as the “Applicable 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, 2025. Accordingly, in compliance with the provisions of the Act, SEBI Listing Regulations and the applicable Circulars, the 17th 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 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 facility in accordance with the applicable MCA Circulars read with relevant SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointing 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 nupur@mehta-mehta.in 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-9056 ”.
- 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 17th AGM along with the Annual Report for the Financial Year 2024-25, 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 **Friday, August 15, 2025**. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 17th AGM, and Annual Report for the Financial Year 2024-25 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].
 - b) Further, in accordance with Regulation 36(1) (b) of the SEBI Listing Regulations, the Bank is also sending a letter, providing the web-link, including the exact path, where complete details of the AGM Notice and the Annual Report for the FY 2024-25 are available, to those shareholder(s) who have not so registered their e-mail address with the Bank/ RTA or DP.
 - c) Further, in accordance with Regulation 36(1) (c) of the SEBI Listing Regulations, Physical copy of the Annual Report for the Financial Year 2024-25 may be provided to the Members upon request.
 - d) Members may note that the Notice of AGM and Annual Report for the Financial Year 2024-25 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.
 - e) Members holding shares in dematerialized 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 as available on the website of the Bank at <https://www.suryodaybank.com/Availing-Investor>.

The communication details of RTA are as under:

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, Telangana-500 032, India,
 Phone No: 040-6716 2222; Fax No.: 040 -23001153,
 Toll Free No. 1- 800-309-4001, Email: einward.ris@kfintech.com

- 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, to the extent applicable and in accordance with the Resolution passed by the Members of the Bank, will be available electronically for inspection, without any fee, by the Members, during the AGM.
- 11) In terms of the provisions of the Act, the Register of Members of the Bank shall remain closed from **Friday, September 05, 2025** to **Thursday, September 11, 2025** (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:** The SEBI vide Section V of its 'Master Circular for Registrars to an Issue and Share Transfer Agents' dated June 23, 2025, 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 Relevant SEBI Circular is available on the website of the Bank at <https://www.suryodaybank.com/investor-corner/#form-for-availing-investor-services>.
- 14) As an ongoing measure to enhance the ease of dealing in the securities market by investors, the SEBI has issued various circulars in recent times. One of such 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/clientservices/isc/isrforms.aspx>.
- 15) Members can avail 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 of 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 Fifteen (15) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of Fifteen (15) 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 17th 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 restrictions 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 to 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 06, 2025 (9.00 a.m. IST) to Wednesday, September 10, 2025, at 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 04, 2025**.
- 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 co-ordination 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 06, 2025 (9.00 a.m. IST) to Wednesday, September 10, 2025 (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) **Special Window for Re-lodgement of Transfer requests of physical shares of Suryoday Small Finance Bank Limited**
 Pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025, a Special Window is being opened for a period of six months from July 07, 2025 to January 06, 2026, to facilitate re-lodgement of transfer requests of physical shares. This facility is available for Transfer deeds lodged prior to April 01, 2019, and which were rejected, returned, or not attended to due to deficiencies in documents/process/ or otherwise. During this period, the securities that are re-lodged for transfer (including those requests that are pending with the listed company / RTA, as on date) shall be issued only in demat mode. Due process shall be followed for such transfer-cum-demat requests.

The Shareholders who have missed the earlier deadline of March 31, 2021 are encouraged to take advantage of this opportunity by furnishing the necessary documents to the Bank's Registrar and Transfer Agent i.e., KFin Technologies Limited, Unit: Suryoday Small Finance Bank Limited, Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana-500 032, India, Phone No: 040-6716 2222; Fax No.: 040 -23001153, Toll Free No. 1- 800-309-4001, Email: inward.ris@kfintech.com

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 hereinbelow:
- 30) The remote e-voting period would commence **on Saturday, September 06, 2025 (9.00 a.m. IST) and end on Wednesday, September 10, 2025 (5:00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Thursday, September 04, 2025, 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 04, 2025**, 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 04, 2025** 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 04, 2025**, 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 on the Cut-off date should treat this Notice for information purposes only.
- 34) The Board of Directors has appointed Ms. Nupur Gadekar, (ACS No. A41015 & C.P No.: 25892), Mumbai and failing her, Ms. Alifya Sapatwala, (ACS No: A24091 & CP No. 24895), the Partners at M/s. Mehta & Mehta, Company Secretaries 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 Two (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 the Managing Director & CEO or to any one of the Directors duly authorized by the Board for and on behalf of the Bank, in this regard, who shall countersign and declare the same.

- 35) 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.
- 36) 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.
- 37) 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 04, 2025.**

Detailed Instructions for Remote E-Voting, Participation in the AGM through VC, and for E-Voting during the AGM 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**

As per the SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants as detailed below. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

OPTION 1 - LOGIN THROUGH DEPOSITORIES:

Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login: - Go to URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. - Enter 8-digit DP ID, 8-digit client ID, PAN No, verification code and generate OTP for login. - Enter the OTP received on registered mobile number/email id and click on log in. - After successful authentication, member will be redirected to NSDL Depository site wherein member can see e-voting page. - Click on Bank's name i.e. Suryoday Small Finance Bank Limited or e-Voting service provider name i.e. 'KFintech' and member will be re-directed to e-Voting service provider website i.e. 'KFintech' for casting the vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Members who have already registered and opted for IDeAS facility to follow below steps: - Go to URL: https://eservices.nsdl.com - Click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. - After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. - Click on Bank's name i.e. 'Suryoday Small Finance Bank Limited' or e-Voting service provider i.e. 'KFintech'. Member will be re-directed to e-Voting service provider website i.e. KFintech website for casting the vote during the remote e-voting period. 3. User not registered under IDeAS e-Services: - Visit : https://eservices.nsdl.com, Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp or Visit the e-voting website of NSDL https://www.evoting.nsdl.com. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will be opened. - Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. - After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page - Click on Bank's name i.e. 'Suryoday Small Finance Bank Limited' or e-Voting service provider i.e. 'KFintech' after which the Member will be redirected to e-Voting service provider website for casting their vote during the remote e-voting period. - Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
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	NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	1. Members who have already registered and opted for Easi/ Easiest facility of CDSL to follow below steps: - Go to URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com and then go to Login and select My Easi New (Token) - Login with your registered username and password for accessing Easi/ Easiest. - The option will be made available to reach e-voting page without any further authentication. - 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 - Option to register is available at: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration for registering - Proceed with completing the required fields, using your DP ID – Client ID (BO-ID). - 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: - Click on the link: https://evoting.cdslindia.com/Evoting/EvotingLogin - Provide Demat Account Number and PAN No. - System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. - After successful authentication, Member will be directed to e-voting module of CDSL. - Click on the e-Voting link available against "Suryoday Small Finance Bank Limited" or select e-voting service provider "KFintech" and member will be re-directed to the e-Voting page of KFintech to cast vote without any further authentication.

Option 2 - Login through their demat accounts / website of 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, the Member(s) will be able to see e-voting option. Click on e-voting option and Member(s) will be redirected to NSDL/CDSL Depository site (as may be applicable) after successful authentication wherein member can see e-voting feature.
- Click on the e-Voting link available against Bank's name i.e. "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 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:

Login type	Helpdesk details
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
Individual Shareholders holding securities in demat mode with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

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. [9056], 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://emeetings.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) [9056], 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.

- (iii) After entering these details appropriately, click on “**LOGIN**”.
- (iv) Member(s) will now reach password change Menu wherein the Member is required to mandatorily change his/her 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 the Members to change the password and update contact details like Mobile Number, email ID etc. on first login. Member(s) may also enter a secret question and answer of his/her choice to retrieve password in case he/she forgets it. **It is strongly recommended that the Member(s) should not share password with any other person and to take utmost care to keep the password confidential.**
- (v) Once the password is changed, the Members will need to login again with the new credentials.
- (vi) On successful login, the system will prompt the Members to select the “**EVENT**” i.e. “**Suryoday Small Finance Bank Limited- [EVEN NO. 9056]**” and click on “**Submit**”.
- (vii) On the voting page, the Members will have to enter the number of shares (which represents the number of votes) as on the Cut-off Date under “**FOR/AGAINST**” or alternatively, Members may partially enter any number in “**FOR**” and partially “**AGAINST**” but the total number in “**FOR/AGAINST**” taken together shall not exceed Member’s total shareholding as mentioned herein above. Members 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.
- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- (ix) Voting has to be done for each item of the notice separately. In case Members do not desire to cast vote on any specific item, it will be treated as **Abstained**.
- (x) Member may then cast his/her vote by selecting an appropriate option and click on “**Submit**”.
- (xi) A confirmation box will be displayed. Click “**OK**” to confirm or else “**CANCEL**” to modify. Once the Members have voted on the Resolution (s), they will not be allowed to modify his/her vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xii) 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 nupur@mehta-mehta.in 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. 9056]**”.
- (xiii) 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 einward.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 remote 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. **9056**) 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 Fifteen (15) minutes prior to the scheduled 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 Chairperson 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 dispatching the 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) 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.
- (xiii) 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 emeetings@kfintech.com.
- (xiv) 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>.
- (xv) Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number, and city, during the period starting from **Saturday, September 06, 2025 (at 9.00 a.m. IST) and to ends on Wednesday, September 10, 2025 (5:00 p.m. IST)**. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes.

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 the Resolutions through Remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM (Instapoll). 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 Chairperson during the AGM. The Chairperson shall formally propose to the Members participating through VC/OAVM facility to vote on the Resolutions as set out in AGM Notice and shall also announce the start of the casting of the vote at AGM through the e-voting platform of the RTA - KFintech and thereafter the e-voting at AGM shall commence. 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.
- (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 04, 2025**, 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
Day, Date and Time of AGM	Thursday, September 11, 2025, at 3:30 p.m. (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 04, 2025
Remote e-voting Start time and date	Saturday, September 06, 2025, at 9:00 a.m. (IST)
Remote e-voting end time and date	Wednesday, September 10, 2025, at 5:00 p.m. (IST)
Book closure dates	Friday, September 05, 2025 to Thursday, September 11, 2025 (both days inclusive)
Last date for publishing results of the e-voting	On or before September 13, 2025 (Within 2 Working days of date of AGM)
E-voting Event Number (EVEN)	9056
Registrar and Share Transfer Agents Contact details	Mr. Umesh Pandey, Manager KFin Technologies Limited ("KFIN or KFinTech") <i>(Formerly known as KFin Technologies Private Limited)</i> Unit: Suryoday Small Finance Bank Limited Selenium Building, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana-500 032, India Phone No: 040-6716 2222; Fax No.: 040 -23001153 Toll Free No. 1- 800-309-4001 Email: inward.ris@kfintech.com umesh.pandey@kfintech.com Website: https://www.kfintech.com
Bank's contact details	Company Secretary & Compliance officer Mr. Krishna Kant Chaturvedi Contact No.: (022) 4094 1556 / 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 17th AGM of the Bank (the “Notice”) and should be considered as part of the Notice.

Item No. 3 : The appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W), as one of the Joint Statutory Auditors of the Bank [along with existing Statutory Auditors, M/s. Mukund M. Chitale & Co., Chartered Accountants, (Firm Registration No. 106655W), both the Auditors to be termed as ‘Joint Statutory Auditors’], and fixation of the remuneration payable to the Joint Statutory Auditors

In accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India (“RBI”) vide Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the entities having asset size of ₹ 15,000 Crore and above, as at the end of the previous Financial year, the Statutory Audit should be conducted under joint audit of a minimum of two audit firms [Partnership Firms/ Limited Liability Partnerships (LLPs)]. Further, in order to protect the independence of the auditors/ audit firms, entities will have to appoint the SCAs/ SAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. Furthermore, the commercial banks (excluding RRBs) will be required to take prior approval of the RBI for appointment/ re-appointment of SCAs/ SAs, on an annual basis.

Given that the Bank’s Balance Sheet size as on March 31, 2025, was ₹15,614 Crores and in accordance with the aforesaid RBI Guidelines read with Bank’s Policy on Appointment of Statutory Auditors, the Bank is required to appoint one additional Audit firm as its Joint Statutory Auditor.

The Bank is presently having M/s. Mukund M Chitale & Co., Chartered Accountants, (Firm Registration Number 106655W), as its sole Statutory Auditors, who had been appointed by the Members of the Bank at their 16th Annual General Meeting (“AGM”) held on September 12, 2024 to hold office for a period of Three (3) years from the conclusion of the Sixteenth (16th) AGM until the conclusion of the Nineteenth (19th) AGM of the Bank to be held in the year 2027 for the purpose of the Audit of the Bank’s Financial Statements for the Financial Years 2024-25 upto 2026-27 on such terms and conditions including remuneration as may be fixed by the Board of Directors (*hereinafter referred to as the “Board” which term shall include Audit Committee of the Board*) 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. The Board of Directors of the Bank at their meeting held on May 08, 2025, had recommended the re-appointment of M/s. Mukund M Chitale & Co., as Statutory Auditors of the Bank for FY 2025-26, for approval of RBI. The RBI had accorded their approval vide Letter No. Ref.CO. DOS. RPD. No. S3409/08.62.005/2025-26 dated July 28, 2025, for appointment of M/s. Mukund M Chitale & Co., Chartered Accountants, (Firm Registration Number 106655W) as Statutory Auditors of the Bank for the Financial Year 2025-26, being their Second year.

The RBI had also advised the Bank to obtain prior approval of the RBI on an annual basis for appointment/re-appointment of Statutory Auditors in terms of para 3.1 of RBI Guidelines dated April 27, 2021. Therefore, in accordance with the requirement of aforesaid RBI Guidelines, Bank’s Policy on Appointment of Statutory Auditors and considering the Bank’s Balance Sheet size as on March 31, 2025, which stood at ₹15,614 Crores, the Bank is required to have one more Audit firm to act as Joint Statutory Auditors along with existing Statutory Auditors viz. M/s. Mukund M Chitale & Co., Chartered Accountants in order to comply with the requirements to have minimum two Joint Statutory Auditors in the Bank. Accordingly, pursuant to the provisions of the aforesaid RBI Guidelines, the provision of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank’s Policy on Appointment of the Statutory Auditors and basis the recommendation of the Audit Committee of Board, the Board of Directors of the Bank at their meeting held on June 19, 2025, after detailed deliberations on the profiles, experience, and specialization in the audit of banking and financial services sector etc. had, subject to the approval of the RBI, accorded their approval for the appointment of any one amongst the Two (2) Audit firms (*in the order of preference*) as the Joint Statutory Auditors of the Bank to hold office for a period of Three (3) years commencing from the conclusion of Seventeenth (17th) AGM until the conclusion of the Twentieth (20th) AGM of the Bank to be held in year 2028, for the purpose of the audit of the Banks’ Financial Statements for the Financial Years 2025-26 upto 2027-28, subject to approval of RBI every year along with existing Statutory Auditors on the remuneration to be fixed by the Board.

On the application of the Bank, the RBI vide letter Ref.CO. DOS. RPD. No. S3409/08.62.005/2025-26 dated July 28, 2025, had accorded its approval for the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W) as the Joint Statutory Auditors of the Bank for FY 2025-26, being their first year. The RBI had also advised the Bank to obtain prior approval of the RBI on an annual basis for appointment/re-appointment of Statutory Auditors in terms of para 3.1 of aforesaid RBI Guidelines.

- a) **Term of appointment:** Pursuant to the RBI approval, the Audit Committee on August 13, 2025 and thereafter the Board of Directors on August 14, 2025, have recommended the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W) as Joint Statutory Auditors of the Bank, to hold office for a period of Three (3) years from the conclusion of Seventeenth (17th) AGM until the conclusion of the Twentieth (20th) AGM of the Bank to be held in year 2028, for the purpose of the audit of the Banks’ Financial Statements for the Financial Years 2025-26 upto 2027-28, subject to the approval of the RBI every year for the remaining Two (2) years i.e. FY 2026-27 and FY 2027-28.
- b) **Proposed Fees:** The overall Audit fees (i.e. Statutory Audit & Limited Review) is proposed to be paid to the Joint Statutory Auditors, which shall be aggregating to ₹ 85,00,000 (Rupees Eighty Five Lakhs Only) for the period from conclusion of 17th AGM until conclusion of 18th AGM to be held in year 2026, to be allocated amongst the Joint Statutory Auditors, as may be mutually agreed between the Bank and the Joint Statutory Auditors, depending upon their respective scope of work, excluding the Fees paid / to be paid for any Certification(s) and other services, as permissible under applicable laws / guidelines, out of pocket

expenses, outlays and taxes as applicable. Further, subject to the provisions of the Act, RBI Guidelines / Circulars and SEBI Listing Regulations, the Audit fees payable to the Joint Statutory Auditors for their remaining tenure, would be decided by the Board and allocated amongst the Joint Statutory Auditors, as may be mutually agreed between the Bank and the Joint Statutory Auditors, depending upon their respective scope of work as Joint Statutory Auditors, excluding the Certification and other services, as permissible under applicable laws / guidelines, out of pocket expenses, outlays and taxes as applicable. The remuneration paid to the Joint Statutory Auditors on yearly basis, will be disclosed in the Report on Corporate Governance as well as the Annual Financial Statements of the Bank.

- c) **Credentials (the brief profile):** M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W), has conveyed their consent to be appointed as the Joint 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. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W) in Form-B, as prescribed under aforesaid RBI Guidelines. The Bank has also sought necessary confirmation from the Institute of Chartered Accountants of India and checked in other relevant forums, and no adverse remarks/ disciplinary proceedings are pending in respect of professional conduct etc. against M/s. Gokhale & Sathe.

The brief profile of the firm is as follows:

M/s. Gokhale & Sathe, Chartered Accountants, was established in 1983, currently has 14 partners, 33 Chartered Accountants and professionals, and a total staff strength of approximately 200, including article assistants. The firm has extensive experience in conducting statutory audits for banks, NBFCs, HFCs, and other financial sector entities. Their diverse client portfolio includes major listed companies, particularly in the BFSI sector, with notable clients.

- d) **Basis of recommendations:** The recommendations are based on the fulfilment of the eligibility norms, by the Statutory Auditors as per the RBI Guidelines, and as prescribed under the Companies Act, 2013 read with Rules made thereunder and SEBI Listing Regulations and other applicable provisions and approval of the RBI, every year during their tenure. Further, M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W) has confirmed that the firm is not disqualified and is eligible to be appointed as Statutory Auditors in terms aforesaid RBI Guidelines and pursuant to approval of the RBI.

Accordingly, keeping in view of the regulatory requirements, the approval granted by the RBI, the approval of the Members of the Bank is hereby sought for appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Registration Number 103264W) as the Joint Statutory Auditors of the Bank to hold office for period of Three (3) years from the conclusion of Seventeenth (17th) AGM until the conclusion of Twentieth (20th) AGM to be held in year 2028, subject to the fulfilment of the eligibility norms each year as per the RBI Guidelines and approval of RBI on an annual basis during their tenure.

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 approve the appointment and remuneration payable to M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries (LLPIN - ACL-9350 | Unique Code: L2025MH018100) as Secretarial Auditors of the Bank

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, read with rules made thereunder, and Regulation 24A of the SEBI Listing Regulations, the Bank, being a listed company, is required to annex to its Board's Report, prepared under Section 134(3) of the Companies Act, a Secretarial Audit Report, issued by a Practising Company Secretary, in Form No. MR-3.

The Securities and Exchange Board of India vide notification dated December 13, 2024, has amended Regulation 24A of SEBI Listing Regulations, which requires the Bank to appoint or re-appoint a Company Secretary in Practice, who shall hold a valid certificate of peer review issued by the Institute of Company Secretaries of India ('ICSI') as Secretarial Auditor for not more than one term of five consecutive years or a firm of Company Secretary(ies) in practice as Secretarial Auditor for not more than two terms of five consecutive years, on the basis of recommendation of its Board of Directors, with the approval of its shareholders in its AGM.

Considering the above requirements and provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Audit Committee and the Board of Directors of the Bank at their respective meetings held on May 08, 2025, have recommended the appointment of M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries (LLPIN - ACL-9350 | Unique Code: L2025MH018100), being a peer reviewed firm of Company Secretaries in Practice as Secretarial Auditors of the Bank, who have offered themselves for appointment and have confirmed their eligibility to be appointed as Secretarial Auditors of the Bank. Further details are given below:

- a) **Term of appointment:**
To conduct Secretarial Audit of the Bank for the period of Five (5) consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30 and to provide such other services as permissible under applicable laws on such terms and conditions including remuneration that may be fixed plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Audit Committee and/ the Board of Director of the Bank.
- b) **Fees for Secretarial Audit:** ₹2,25,000 (Rupees Two Lakhs and Twenty-five Thousand Only) plus applicable taxes and other out-of-pocket expenses, in connection with the Secretarial Audit for the Financial Year ending March 31, 2026. The fees for certifications and other professional services, as permissible under the Companies Act, 2013, SEBI Listing Regulations, other SEBI Regulations, and other applicable Laws / Regulations will be in addition to the Secretarial Audit fee as mentioned above. Further,

the Secretarial Audit fees for the remaining term from financial year 2026-27 to financial year 2029-30, shall be determined by the Board, on recommendation of the Audit Committee in discussion with the Secretarial Auditors and shall be disclosed in the Report on Corporate Governance every year. The proposed fee has been determined considering the scope of work, team strength, industry experience, and the time and expertise required to be put in by Secretarial Auditors, which is in line with the Industry benchmark.

- c) **Credentials (the brief profile):** M/s Tushar Shridharani & Associates LLP, Practising Company Secretaries ("the LLP"), is an organization incorporated on February 13, 2025, and mainly founded by CS Tushar Shridharani, a Practising Company Secretary mainly to corporatize his certain practice area. Mr. Shridharani has 42 years of experience including approximate 12 years serving in a reputed corporate house. The LLP has 4 partners. All partners and the LLP are Peer Reviewed.
- d) **Basis of recommendations:** The recommendations are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and SEBI Listing Regulations with regard to the full-time partners, secretarial audit, experience of the firm, capability, independent assessment, audit experience and also based on the evaluation of the quality of audit work done by them in the past. Further, M/s Tushar Shridharani & Associates LLP, Practising Company Secretaries has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations.

Accordingly, approval of the shareholders of the Bank is being sought for appointment of M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries (LLPIN - ACL-9350 | Unique Code: L2025MH018100) as Secretarial Auditors of the Bank for a period of Five (5) consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30.

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. 4 of this Notice.

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

Item No. 5: To approve the re-appointment of Mr. Baskar Babu Ramachandran (DIN: 02303132) as Managing Director & Chief Executive Officer ("MD & CEO") of the Bank

Mr. Baskar Babu Ramachandran promoted Suryoday Micro Finance Pvt Limited in the year 2008 and has been Managing Director & Chief Executive Officer ("MD & CEO") of the Bank since its inception and has been instrumental in conversion from a Micro Finance Institution to a Small Finance Bank in January 2017. During his tenure as MD & CEO, the Bank has achieved consistent growth across key parameters like Balance Sheet size, Total Deposits, Advances, Net Revenues, EPS and Net Profit. He has successfully anchored the Bank with prudence and agility during challenging period of the Covid pandemic. In a competitive and dynamically changing industry it is critical for the Bank to draw on the expertise, knowledge and experience of such leaders who have an exceptional track record.

Mr. Baskar Babu Ramachandran has been the MD & CEO of the Bank w.e.f. January 23, 2017. He was re-appointed for 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, on such terms and conditions including remuneration as approved / to be approved by the Shareholders and the RBI from time to time.

As the current term of Mr. Baskar Babu Ramachandran as MD & CEO would be expiring on January 22, 2026, the Nomination & Remuneration Committee ("NRC") at its Meeting held on June 24, 2025 after reviewing his fit & proper status and various other relevant facts such as performance rating, leadership, contribution in growth of the Bank and maximum term of appointment, etc. recommended the re-appointment of Mr. Baskar Babu Ramachandran as MD & CEO of the Bank for a further term of Three (3) years with effect from January 23, 2026 to January 22, 2029 for approval of the Board. Thereafter, the Board of Directors of the Bank at their meeting held on June 26, 2025, based on the recommendation of NRC, and after reviewing the Fit & Proper status, performance rating and other relevant facts, has approved the re-appointment of Mr. Baskar Babu Ramachandran as MD & CEO of the Bank for a further term of Three (3) years with effect from January 23, 2026 to January 22, 2029 on the terms and conditions including remuneration as detailed in the proposed Resolution No. 6, subject to approval of RBI and the Shareholders of the Bank.

The NRC and the Board of Directors, while recommending/approving the re-appointment of Mr. Baskar Babu Ramachandran as the MD & CEO of the Bank for a further term of Three (3) years, subject to the approval of the RBI and the Shareholders of the Bank, took into consideration that Mr. Baskar Babu Ramachandran has been the MD & CEO of the Bank since its inception and has been instrumental in conversion from a Micro Finance Institution to a Small Finance Bank. During his tenure as MD & CEO, the Bank has achieved consistent growth across key parameters like Balance Sheet size, Total Deposits, Advances, Net Revenues, EPS and Net Profit. He has also ensured the highest focus on governance on a continued basis, ensuring sustainable growth of the Bank. He has successfully anchored the Bank with prudence and agility during the challenging period of the Covid pandemic and subsequently, through various risk management measures. He has also been instrumental in creating a culture with a focus on customer service, compliance and employee welfare. In a competitive and dynamically changing industry, it is critical for the Bank to draw on the expertise, knowledge and experience of such leaders who have an exceptional track record. The brief profile of Mr. Baskar Babu Ramachandran, 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, is provided in **Annexure 2** to this Notice.

Considering above, the Board of Directors recommend, subject to approval of RBI, the re-appointment of Mr. Baskar Babu Ramachandran as MD & CEO of the Bank for a further period of Three (3) years effective from January 23, 2026 to January 22, 2029.

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 for approval of Members as a **Special Resolution**.

Item No.6 – To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2025-26

Mr. Baskar Babu Ramachandran promoted Suryoday Micro Finance Pvt Ltd. in 2008 and has been MD & CEO of the Bank since its inception and has been instrumental in conversion from a Micro Finance Institution to a Small Finance Bank in January 2017. During his tenure as MD & CEO, the Bank has achieved consistent growth across key parameters like Balance Sheet size, Total Deposits, Advances, Net Revenues, EPS and Net Profit. He has successfully anchored the Bank with prudence and agility during challenging period of the Covid pandemic. In a competitive and dynamically changing industry it is critical for the Bank to draw on the expertise, knowledge and experience of such leaders who have an exceptional track record. He has been the MD & CEO of the Bank w.e.f. January 23, 2017. He was re-appointed for period of Three (3) years w.e.f. 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, on such terms and conditions including remuneration as approved / to be approved by the Shareholders and the RBI from time to time.

As the current term of Mr. Baskar Babu Ramachandran as MD & CEO would be expiring on January 22, 2026, the Nomination & Remuneration Committee of Board ("NRC") at its Meeting held on June 24, 2025, after reviewing his fit & proper status and various other factors like maximum term, performance rating, leadership etc. recommended the same to the Board. Thereafter, the Board of Directors of the Bank at their meeting held on June 26, 2025, based on the recommendation of NRC, and after reviewing the Fit & Proper status, performance rating and other relevant facts, has approved the re-appointment of Mr. Baskar Babu Ramachandran as MD & CEO of the Bank for a further term of Three (3) years with effect from January 23, 2026 to January 22, 2029 on the terms and conditions including remuneration as detailed in the proposed Resolution No. 6, subject to approval of RBI and the Shareholders of the Bank.

In accordance with the provisions of Sections 196, 197 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the "Act") as amended from time to time, Section 10B, 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949, and the Rules, Guidelines and Circulars issued by the Reserve Bank of India ("RBI") in this regard from time to time, 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 NRC and the Board of Directors.

It may kindly be noted that Members of the Bank at the 16th AGM held on September 12, 2024, had approved the Fixed Remuneration payable to Mr. Baskar Babu Ramachandran, the MD & CEO of the Bank, amounting to ₹ 210 Lakhs p.a. and Variable Remuneration not exceeding 1.5 Times of the Fixed Remuneration, subject to approval of the RBI. Subsequently, the RBI vide their letter No. DoR.GOV.No.S3648/29.44.006/2024-2025 dated September 24, 2024, had approved the Fixed Remuneration of ₹ 194 Lakhs including perquisites and retirals for FY 2024-25 and Variable Remuneration payable for FY 2024-25 amounting to ₹ 130 Lakhs has been recommended / approved by the NRC / Board and approval of the RBI in this regard is awaited.

Accordingly, the Board of Directors at their meeting held on June 26, 2025, basis the recommendation of the NRC and subject to the approval of the Members and the RBI, had recommended the revision in the Fixed Remuneration payable to the MD & CEO for FY 2025-26 from existing ₹ 194 Lakhs per annum to ₹225 Lakhs per annum (*Fixed remuneration is inclusive of retirals and perquisites*). The Board, while recommending the remuneration to the MD & CEO, considered various relevant aspects and criteria, including the remuneration being paid by the peer banks for the MD & CEO positions and 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. Further, 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.

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 3 Years is given below:

Financial Year	Remuneration as approved by the Shareholders based on the recommendation of NRC and Board		Remuneration as approved by the Reserve Bank of India ("RBI")		Remuneration actually Paid / payable	
	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration
FY -2022-23	₹ 172.92 Lakhs p.a. (Including Gross Salary ₹ 155 Lakhs p.a. plus PF 7.44 Lakhs plus Gratuity 3.58 Lakhs Plus reimbursable perquisites ₹ 6.90 Lakhs)	As per 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	₹ 160 Lakhs p.a. (<i>inclusive of retirals and perquisites</i>)	₹ 80 Lakhs (The Amount payable on deferral basis over 3 years - 30% - Year 1, 30% - Year 2 and 40% - Year 3 as per Compensation Policy of the Bank)	₹ 160 Lakhs p.a. (<i>inclusive of retirals and perquisites</i>)	₹ 80 Lakhs (<i>Paid/ Payable in tranches, in accordance with the RBI approval and Compensation Policy of the Bank</i>)

		and payable on a deferred basis as per the provisions of the said Compensation Policy.				
FY -2023-24	₹ 192 Lakhs p.a. (Inclusive of perquisites and retinals)	As per 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 has been paid on a deferred basis as per the provisions of the said Compensation Policy.	₹ 176 Lakhs p.a. (Inclusive of perquisites and retinals)	₹ 124 Lakhs p.a. (The Amount paid/ payable on deferral basis over 3 years - 30% - Year 1, 30% - Year 2 and 40% - Year 3 as per Compensation Policy of the Bank)	₹ 176 Lakhs p.a. (Inclusive of perquisites and retinals)	₹ 124 Lakhs p.a. (Paid/ Payable in tranches, in accordance with the RBI approval and Compensation Policy of the Bank)
FY 2024-25	₹ 210 Lakhs p.a. (Inclusive of perquisites and retinals)	As per 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 and subject to the approval of the RBI.	₹ 194 Lakhs p.a. (Inclusive of perquisites and retinals)	₹ 130 Lakhs, subject to approval of the RBI.	₹ 194 Lakhs p.a. (Inclusive of perquisites and retinals)	To be paid in tranches, in accordance with the RBI approval and Compensation Policy of the Bank

Accordingly, approval of the Members is being sought at Item No. 6 of this Notice for the remuneration payable to the MD & CEO for FY 2025-26, 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. 6 of this Notice.

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

Item No.7 - To approve the Remuneration Payable to Mr. Hemant Premchand Shah (DIN: 10548728), Whole-time Director (Executive Director) of the Bank for the Financial Year 2025-26

Mr. Hemant Premchand Shah was appointed as Whole-time Director [designated as Executive Director and Key Managerial Personnel of the Bank] ("**Executive Director**") 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 the members of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024.

Mr. Hemant Shah is a seasoned banker with over 35 years of experience in banking & financial companies, of which he has the last 28 years of exceptional experience with Kotak Bank. In his career, he has administered Banking Operations, Risk Portfolio, Business Solutions Group and Governance Functions. He has a proven track record of demonstrating the ability to formulate and execute strategic support service functions aligned with the organization's vision and mission. In his last stint with Kotak Bank, he handled Retail Operations, Compliance, Data Management, Risk Management, Business Solutions for Retail Banking System, and Large Project Management (including integration with ING VYSYA Bank). Before Kotak Bank, he served in various roles with TATA Motors Finance and Gruh Finance. By qualification, he holds Bachelor's Degree in Commerce and completed various Executive Education programmes from ISB Hyderabad & IIM Ahmedabad.

In accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the "**Act**") as amended from time to time, Section 10B, 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949, and the Rules, Guidelines and Circulars issued by the Reserve Bank of India ("**RBI**") in this regard from time to time, the remuneration of Executive Director 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 RBI vide their letter No. DoR.GOV.No.S6035/29.44.006/2023-24 dated January 18, 2024, had approved the Fixed Remuneration of ₹160 Lakhs (inclusive of perquisites) to Mr. Hemant Premchand Shah, the Executive Director of the Bank for the Financial Year 2024-25. Subsequently, Shareholders of the Bank through Postal Ballot dated April 28, 2024, approved the remuneration payable to Mr. Hemant Premchand Shah, the Executive Director of the Bank for Financial year 2024-25 (i.e. *Fixed Pay and Variable Pay*).

The NRC at its meeting held on June 24, 2025, had considered and recommended the revision in the Fixed Remuneration payable to Mr. Hemant Premchand Shah, the Whole-time Director of the Bank from existing ₹160 Lakhs per annum to ₹175 Lakhs per annum (*Fixed remuneration is inclusive of perquisites, if any and retinals*).

Thereafter, the Board of Directors at their meeting held on June 26, 2025, basis the recommendation of the NRC and subject to the approval of the Members and the RBI, had recommended the revision in the Fixed Remuneration payable to the Whole-time Director for FY 2025-26, from existing ₹160 Lakhs per annum to ₹ 175 Lakhs per annum (*Fixed remuneration is inclusive of perquisites, if any and retinals*). The Board, while recommending the remuneration to the Whole-time Director, had considered various relevant aspects and criteria, the remuneration being paid by the peer banks for the Executive Director position and have accordingly proposed revision in the remuneration of the Executive Director in line with the Compensation Policy of the Bank. The additional details of the Whole-time Director pursuant to the requirements of SS-2 are annexed to this Notice.

Further, in the event of absence or inadequacy of profits in any financial year, the remuneration payable to the Whole-time/Executive Director shall be governed by Schedule V of the Act and Rules made thereunder (to the extent applicable), as amended from time to time.

The details of the Remuneration paid / payable to the Executive Director, basis the approval granted by the Shareholders of the Bank and RBI for last year is given below:

Financial Year	Remuneration as approved by the Shareholders		Remuneration as approved by the Reserve Bank of India ("RBI")		Remuneration actually Paid / payable	
	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration	Fixed Remuneration	Variable Remuneration
FY 2024-25	₹ 160 Lakhs p.a. (<i>Inclusive of perquisites and retinals</i>)	In accordance with the Bank's Compensation Policy drawn in line with the RBI Guidelines, the Variable Remuneration shall be upto 1.00 Time of the Fixed Remuneration and shall be payable on a deferral basis as per the provisions of the said Compensation Policy and subject to the approval of the RBI.	₹ 160 Lakhs (<i>Inclusive of perquisites and retinals</i>) vide RBI letter No. DoR.GOV. No.S6035/29.44.006/2023-24 dated January 18, 2024	₹ 65 Lakhs subject to approval of the RBI.	₹ 160 Lakhs (<i>Inclusive of perquisites and retinals</i>)	<i>To be paid in tranches, in accordance with the RBI approval and Compensation Policy of the Bank</i>

Brief profile of Mr. Hemant Shah, 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, is provided in **Annexure 3** to this Notice,

Accordingly, the approval of the Members is being sought at Item No. 7 of this Notice for the remuneration payable to the Whole-time Director (Executive Director) for FY 2025-26, based on the recommendations of the NRC and the Board, subject to approval of RBI, which is awaited.

Save and except Mr. Hemant Shah 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. 7 of this Notice.

The Board recommends the Resolution set out at **Item No. 7** of the Notice for approval of Members, as an **Ordinary Resolution**.

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 Directors
For Suryoday Small Finance Bank Limited**

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

Date: August 19, 2025

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	67 years
Nationality	Indian
Date of first Appointment on Board	November 02, 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.
Brief Resume including experience	He has over Four (4) decades of experience including over Two (2) decades in private equity and the rest in the telecom / technology sector and in financial services and management consulting. He also has co-founded and currently is a Managing Partner at Gaja Capital.
Nature of his expertise in specific functional areas	Business Management, Information Technology, consumer, finance, Infrastructure
Terms and Conditions of Appointment or re-appointment along with remuneration sought to be paid	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 (ie. FY 2024-25)	N.A.
Shareholding in the Bank, including shareholding as a beneficial owner (as on March 31, 2025)	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 Financial Year 2024-25	Attended 11 out of 11 Board Meetings held during the Financial Year ended March 31, 2025.
Other Directorships	• Rams Mercantile Private Limited, • Gaja Alternative Asset Management Limited (<i>Formerly known as Gaja Advisors Private Limited</i>) -Whole-time Director, • Thyssenkrupp Uhde India Private Limited and
Memberships/Chairmanship of Committees of other Boards	He is member of the following Committees, other than Suryoday Small Finance Bank Limited: i. CSR Committee of Gaja Alternative Asset Management Limited; ii. CSR Committee of Thyssenkrupp Uhde India Private Limited; and
Listed entities from which the concerned Director has resigned in the past Three (3) years	None

Annexure 2 giving information pursuant to Secretarial Standards on General meetings w.r.t. item no. 5 & 6 of the agenda:

Name of Director	Mr. Baskar Babu Ramachandran
DIN	02303132
Age	56 years
Nationality	Indian
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 Pondicherry University. He has participated in the management development program for strategic management for corporate leadership at Indian Institute of Management- Calcutta.
Brief Resume including experience	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. 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. He is Managing Director and Chief Executive Officer ("MD & CEO") of the Bank w.e.f. January 23, 2017.
Nature of his expertise in specific functional areas	Rural Economy, Banking, Small Scale Industry, Business Management, Finance, Engineering, Risk Management
Terms and Conditions of Appointment or re-appointment along with remuneration sought to be paid	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 retire by rotation
The last drawn remuneration (FY-2024-25)	• Fixed Compensation amounting to ₹ 194 Lakhs p.a. (inclusive of retiral and perquisites). • Variable Pay- The Variable Pay for the Financial Year 2024-25 is payable to the MD & CEO within the limit as approved by the Members at the 16th AGM of the Bank held on September 12, 2024, and is subject to the approval of the RBI.
Shareholding in the Bank, including shareholding as a beneficial owner (as on March 31, 2025)	He holds 55,01,911 Equity shares (5.18%) in the Bank as on March 31, 2025.
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Bank	None
The Number of Meetings of the Board attended during the Financial Year 2024-25	Attended 11 out of 11 Board Meetings held during the Financial Year ended March 31, 2025.
Other Directorships (as on March 31, 2025)	Governing Council member in the Indian Institute of Banking and Finance.
Memberships/Chairmanship of Committees of other Boards	None
Listed entities from which the concerned Director has resigned in the past Three (3) years	None

Annexure 3 giving information pursuant to Secretarial Standards on General meetings w.r.t. item no. 7 of the agenda:

Name of Director	Mr. Hemant Premchand Shah
DIN	DIN: 10548728
Age	60 Years
Nationality	Indian
Date of first Appointment on Board	w.e.f. April 01, 2024
Qualification	By qualification, he is a Bachelor of Commerce and also completed various Executive Education programmes from ISB Hyderabad & IIM Ahmedabad
Brief Resume including experience	Mr. Hemant Premchand Shah is seasoned banker with over 35 years of experience in the Banking & Financial companies, of which, last 28 years' exceptional experience with Kotak (NBFC & Bank). Proficient in overseeing operations, enhancing customer experiences, managing risk, leading Business Solutions Group and governance functions. He has a proven track record of demonstrating the ability to formulate and execute strategic support service functions aligned with the organisation's vision and mission. In his last stint with Kotak Bank, he handled Retail Operations, Compliance, Data Management, Risk Management, Business Solutions for Retail Banking System, and Large Project Management (including integration with ING VYSYA Bank). Before Kotak Bank, he served in various roles with TATA Motors Finance and Gruh Finance. By qualification, he is Bachelor of Commerce and also completed various Executive Education programmes
Nature of his expertise in specific functional areas	Banking Operations, Risk Portfolio, Business Solutions Group and Governance Functions, Retail Operations, Compliance, Data Management, Risk Management, Business Solutions
Terms and Conditions of Appointment or re-appointment along with remuneration sought to be paid	Appointed as Whole-time Director, to be designated as Executive Director and Key Managerial Personnel of the Bank, for a period of Three (3) years w.e.f. the date of taking charge, i.e. April 01, 2024
The last drawn remuneration (FY-2024-25)	• Fixed Compensation amounting to ₹ 160 Lakhs p.a. (inclusive of retiral and perquisites). • Variable Pay- The Variable Pay for the Financial Year 2024-25 is payable to the Whole-time Director (Executive Director) within the limit as approved by the Members through Postal Ballot approved on April 28, 2024, and is subject to the approval of the RBI.
Shareholding in the Bank, including shareholding as a beneficial owner (as on March 31, 2025)	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 Financial Year 2024-25	Attended 11 out of 11 Board Meetings held during the Financial Year ended March 31, 2025.
Other Directorships	None
Memberships/Chairmanship of Committees of other Boards	None
Listed entities from which the concerned Director has resigned in the past Three (3) years	None

Note: The Directors have furnished their consent/ declarations for their appointment as required under the Companies Act, 2013 and the rules made thereunder.



Navigating Challenges, Delivering 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.



Scan the QR code to know more about us

At Suryoday Bank, we are committed to going the distance by navigating challenges and serving millions of customers with a strong technology infrastructure and an agile teamwork. Our strong governance and risk management framework has always helped us navigate challenges and serve customers with a smile.

The financial year 2024-25 (FY25) presented its own share of headwinds, asset quality pressures in microfinance. However, we have been able to steer clear of the adversity through prudent strategic initiatives.

Specific strategic initiatives adopted by the Bank over the last couple of years, such as (a) insuring our MFI business under credit guarantee schemes of the Central Government, (b) pivoting our MFI business towards Individual loans (Vikas Loan) , (c)

enhancing our digital offerings across both deposits and lending, (d) catering to the MSME segment as well as (e) improvement of operational efficiency, have started yielding a positive impact. These measures have now laid the foundation for future growth.

Delivering smiles to millions

Our customer base has grown to approximately 3.4 million as of March 2025, compared to 2.8 million in March 2024, marking a 21.4% increase. We are positioning ourselves as the preferred banker of the aspiring middle class segment of the country.



FY25 saw both our advances and deposits crossed the landmark of ₹10,000 crore, underscored by stable growth in deposits as well as the secured loan book.

We continue to diversify our portfolio, which is visible in the higher growth in both the mortgages and wheels portfolio. In addition, we are sharpening our focus on the Micro Small and Medium Enterprise (MSME) segment and expect reasonable traction in this segment in the near future.

At Suryoday, we believe that our strong and diversified portfolio, tech-enabled service delivery, along with a targeted focus on the MSME segment shall hold us in good stead, in the years to come.

Going the Extra Mile, Serving Customers with a Smile

Suryoday meaning 'sunrise' in Sanskrit stands for new beginnings and brighter possibilities. It is a fitting name for a bank dedicated to expanding financial access across India and support the aspirations of millions across social and economic segments.

Since our inception in 2008 as a grassroots microfinance institution, we have evolved into a full-fledged Small Finance Bank in 2017. Our evolution has been steered by responsiveness, resilience and a focus on comprehending the everyday realities and aspirations of our clientele. Today, we are one of the few entities to have been granted a Small Finance Bank licence by the Reserve Bank of India (RBI).

From our early roots in group-based lending, we have gradually broadened our approach to meet the needs of households across the nation. We serve the small entrepreneur in need of credit, the salaried professional nurturing savings, and the family establishing the foundation of a secure future.

700+
Banking Touchpoints

8,600+
Employees

15
States and UT Presence

What Differentiates Us?



Steady and Sustainable
Performance



Pursuing Excellence with a
Purpose



Reimagining Customer
Value Proposition in dynamic
environment



Empowering
Communities



Robust Governance
Framework



Strategic Technology
Partnerships



Prudent Risk Management

External Credit Ratings

A(Stable)

Sub-Debt (ICRA)

A1+

CD Rating (ICRA)

A1+

CD Rating (CRISIL)

Our Investors

Institutional Investors



Development/Impact Funds



Private Equity



Our Vision

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

Our Mission

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

Anchored in Values



Ethics and Integrity

We hold ourselves to high standards of integrity, transparency and fairness.



Employee Friendly

We invest in learning, growth and a supportive work culture.



Simplicity

We keep our processes straightforward, making banking easier to understand and use.



Respect

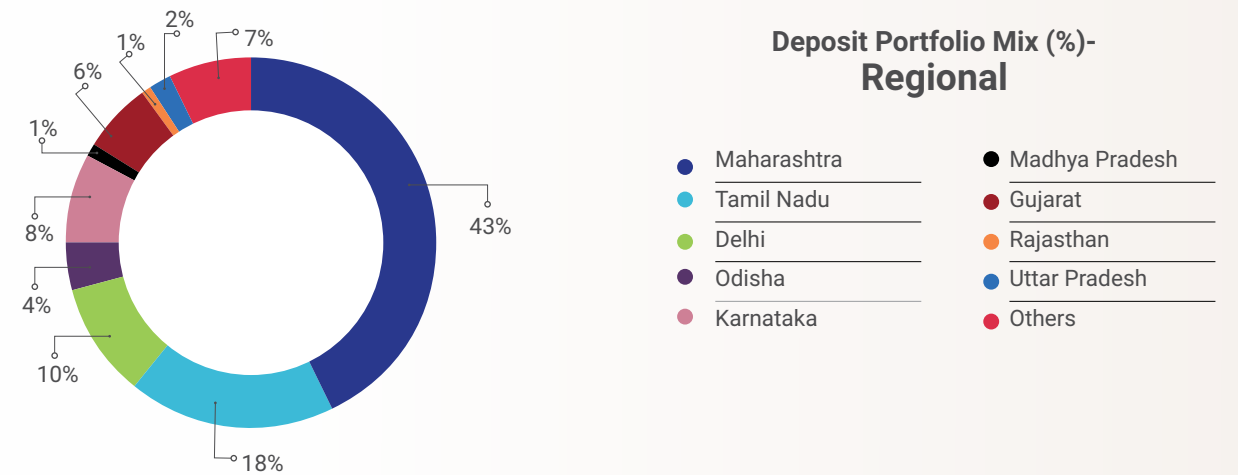
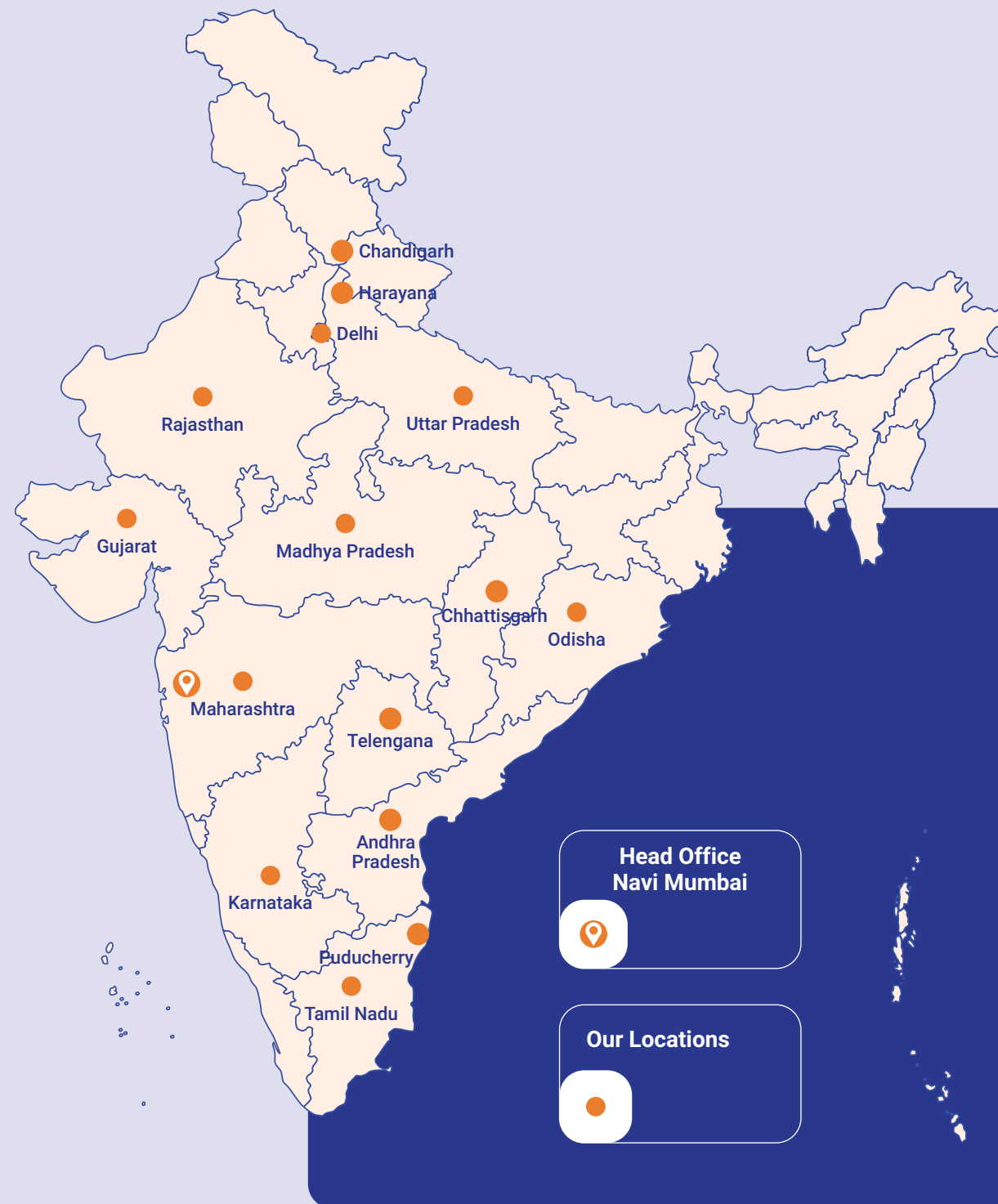
We treat all stakeholders' customers, partners, employees with dignity.



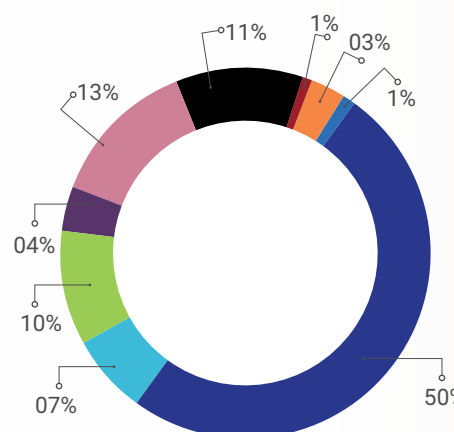
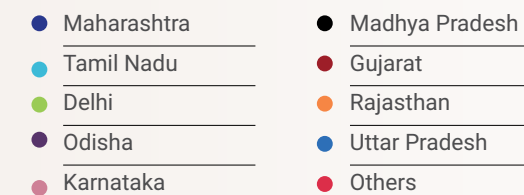
Customer Focus

We aim to serve real needs, not just sell products.

Innovative Offerings Delivering Smiles



Asset Portfolio Mix (%) - Regional



Asset Portfolio Mix Product Wise



Banking for India's Growth Aspirations, Spreading Smiles



2018-2020

- AUM crosses ₹ 5,000 Crores
- Customer Base 0.6% Indian household
- Commenced Micro Home Loan
- Managed the volatility of Covid headwinds
- Long-term rating of '[ICRA] A' and short-term rating of 'A1+' from CRISIL.
- ICRA A1+ Reaffirmed

2013-2017

- AUM crosses ₹ 1,000 Crores with 7.5 L customer base and 200 branches
- Commenced CV, HL and LAP
- Managed the challenge of Demonetisation

2008-2012

- Suryoday Micro Finance Private Limited incorporated
- Received RBI license for NBFC and commenced MFI operations
- Commenced operations in Pune

2021

- Listed on NSE and BSE
- IPO size of ₹ 581 Crores
- Marquee investors like SBI Life Insurance, Axis MF, Aditya Birla Sun Life Insurance and ICICI Prudential Life Insurance invested in the Bank

2023

- Bounced back from red in 2022 (due to pandemic impact) to deliver a PAT of ~ ₹ 78 Crores in 2023
- Started Two-wheeler product segment
- Introduced Assisted Digital e-FD creation journey

2024

- AUM crosses ₹ 8,600* Crores
- Customer base - ₹ 28.2 Lakhs
- Deposit crosses ₹ 7,700 Crores
- Vikas Loan portfolio crosses ₹ 2,600 Crores

*Includes IBPC of ₹ 400 Crores

2022

- Long-term rating of '[ICRA] A' and short-term rating of 'A1+' from CRISIL. ICRA A1+ Reaffirmed
- Introduced Micro Home Loan, Micro LAP
- IT Transformation programme – PRAGYAN

2025

- Gross Advances/ Deposit crosses ₹ 10,000 Crores
- Vikas Loan Portfolio crosses ₹ 3,000 Crores
- MSME crossed ₹ 30 Crores with 20% CASA
- Customer Base – ₹ 3.4 Million/ Branch Network – 710
- Non-IF Disbursement grew by 50%
- GNPA/NNPA – ₹ 734 Crores/ ₹ 457 Crores, ₹ 460 Crores receivable under CGFMU (continued coverage since FY 2022-23)
- Introduced MSME, SCF, Digital FD and Pilot Secured Credit Card



Chairman's Message

Mr. Krishna Prasad Nair
Chairman



In FY 2024-25, Suryoday's growth was driven by retail expansion, digital initiatives, and a shift toward secured lending. Strengthened capital, risk frameworks, and community engagement supported sustainable growth, while initiatives in financial inclusion and women empowerment reinforced the Bank's customer-centric, responsible approach.

Dear Shareholders,

It is my privilege to present this message to the shareholders of the Bank about the Bank's performance for the Financial Year 2024-25. The Bank has achieved a significant milestone in both its Gross Advances and Deposits crossing ₹10,000 crores mark, during the year. The building blocks which the Bank started putting up a couple of years back have started yielding the desired outcomes, notable one being the gradual transition of its MFI business from the Joint Liability Group (JLG) based lending to individual lending through the Vikas Loans (VL) product, which reflects our efforts to graduate customers from group-based lending models to individualised, household-centric

financial products. As we continue to partner the underbanked and the financially underserved, we do so with renewed sense of purpose, strategic clarity, sharpened focus and elevated resonance with the nation's broader developmental vision.

India's macroeconomic landscape during the year was shaped by a complex interplay of global and domestic forces. Global financial conditions remained volatile, owing to persistent geopolitical tensions and policy recalibrations across major economies. Despite external turbulence, India continued to exhibit resilience, supported by growing domestic consumption, disciplined fiscal management and proactive regulatory oversight. However, retail deposit mobilization continued to be challenging for banks. Public welfare schemes such as Pradhan Mantri Awas Yojana (PMAY), Atal Pension Yojana (APY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJY), continued to advance financial access and inclusion at the grassroots.

Disciplined growth trajectory

For Suryoday, FY 2024-25 was a year of calibrated growth backed by operational discipline, culminating in a significant milestone across both deposits and advances. We concluded the year with ₹10,580 crore in deposits and ₹10,251 crore in gross advances. Our retail deposit base, which now accounts for 81.1% of total deposits, continued to gain momentum on the back of deposit mobilisation through the digital channel, improved CASA acquisition and due to the impact of gradual upgradation of asset-service branches into full-service outlets. CASA ratio improved to 20.9%, driven by a combination of hybrid sourcing, product-level innovations and improved customer engagement. Another directional shift which the bank embarked upon in the last couple of years saw an increase in the secured portfolio as a proportion to the overall advances with the mix shifting favourable towards secured loans in FY 2024-25 to 50%. The Bank's capital adequacy ratio stood strong at 25.8% well above the regulatory requirement, which helps the Bank continue to focus on its long-term strategic initiatives. The liquidity position also remained satisfactory with a LCR of 141.2%, well above the regulatory limits, ensuring both stability and financial agility to pursue future expansion.

We accelerated the Bank's shift towards a more secured asset mix, with an increased share of mortgages, commercial vehicles and MSME lending. Alongside this realignment, we invested in digital infrastructure across both deposits and credit ecosystems, refined risk-based pricing mechanisms and bolstered organisational capabilities across middle management. These decisions stem from our core conviction that inclusive banking can only be delivered sustainably when it is supported by scalable systems, diversified portfolios and a structured governance architecture.

Customer-centric vision

In an era when financial behaviours are shifting and expectations from banking institutions are becoming more discerning, it is imperative that we remain rooted in our founding purpose. Our objective is not merely to enable access but also to create meaningful outcomes. We aspire to be the principal banking partner for our customers by offering savings, insurance, credit and financial literacy solutions that are integrated, reliable and accessible. This vision finds expression in our expanding footprint, digital product roll-outs, and sharper customer segmentation. With offerings tailored to women entrepreneurs, the aspiring middle class and micro-businesses; we are positioning ourselves as a bank of choice for the next chapter of India's economic ascent.

We are acutely aware that growth must be anchored in responsibility. The year also saw stress in the microfinance sector overall primarily due to overleveraging at the borrower level. The Bank has taken various steps to ensure that the overarching sectoral stress is mitigated to the extent possible. One significant initiative in this regard was to subscribe to and cover the eligible micro loans under the Credit Guarantee Fund for Micro Units scheme since FY 2022-23 as part of prudent risk management practices. Also, the Bank implemented the risk Guardrails 2.0 advised by industry SRO MFIN - well ahead of the stipulated timelines. The Bank continues to maintain a stringent internal control system and articulate escalation protocols for emerging risks. During the year, our frameworks for model risk, fund transfer pricing and compliance oversight have been significantly strengthened. As we

enter new geographies and engage with a broader clientele, this discipline will serve as a key safeguard.

Empowering people

Our employees continue to be the cornerstone of our growth journey. Their adaptability, domain knowledge and community connect help us drive impact on the ground. We have placed great emphasis on mid-level capacity building, digital enablement and open communication platforms to empower teams and sustain organisational performance.

We are also creating tangible social impact through deeper engagement with the communities that we serve. All of our Inclusive Finance (IF) customers are women, bringing our contribution to financial empowerment to the fore. We have launched 'Roshni' - a network of women-only deposit branches and continued structured engagements to enhance financial literacy across customers and employees.

Outlook

Our outlook for FY 2025-26 remains both optimistic and grounded in the realities of a shifting economic landscape. With heightened formalisation of income streams, digitisation of service delivery and the expanding coverage of social security schemes, the opportunities for inclusive finance have never been more favourable. We believe Suryoday is well-positioned to capitalise on these opportunities, drawing on our differentiated business model, sound capital base and the deep trust that we have built with our customers over time.

I take this opportunity to express my sincere gratitude to the Regulators, Board of Directors, employees, customers and shareholders of the Bank, whose consistent belief in our mission has made our progress possible. As we chart the future, I am confident that the years ahead will offer opportunities to deepen our relevance and create sustained value for all our stakeholder.

Warm Regards,

Krishna Prasad Nair
Chairman
[DIN: 02611496]

MD and CEO'S Message



Mr. Baskar Babu Ramachandran
MD and CEO



In FY 2024-25, we navigated industry-wide headwinds with resilience and clarity of purpose. We expanded our reach, sharpened risk management and deepened customer trust through secure, thoughtful offerings. Serving 3.4 million customers, we continued to grow responsibly – staying true to our values and becoming a comprehensive service provider to the growing aspiring middle-class.

Dear Shareholders,

FY 2024-25 was a defining chapter in Suryoday Small Finance Bank's journey. We navigated shifting winds with steady hands, underpinned by FY 2022-23 initiatives like CGFMU coverage, broadening our reach, diversifying with intent, and accelerating our push into digital channels and partnerships. Crossing the ₹10,000 crore mark in advances and deposits reflected the trust of millions. Serving nearly 1% of Indian households, our mission is to engage them more deeply as a comprehensive service provider for the growing aspiring middle class.

Built on customer centricity, experience, and satisfaction—because numbers matter, but smiles matter more—we keep risk management and compliance at our core, ensuring growth that is both responsible and resilient.

Customer Expansion

Our strategic priorities during the year included enhancing risk-calibrated product design and expanding across underpenetrated markets. We continued to diversify our liability base, digitise customer journeys, and elevate the overall service experience. As Tom Peters said, "The magic formula that successful businesses have discovered is to treat customers like guests and employees like people" - a philosophy we embrace wholeheartedly. Guided by responsible banking and long-term value creation, our customer base grew to 3.4 million as of March 2025, reflecting sustained trust and relevance. We are building for scale while retaining the relationship-led approach that defines Suryoday.

Diversified Asset Growth

A key focus during the year was to further strengthen our secured lending franchise, which now comprises over half of the book. Mortgages continue to deepen long-term customer relationships, while Commercial Vehicle loans are expanding steadily — now with a sharper focus on retail customers and newer offerings such as car loans. We also expanded MSME lending through fully digital journeys and robust underwriting, alongside steady progress in Supply Chain Finance. These developments reflect our commitment to sustainable, targeted growth — deepening customer engagement while maintaining portfolio resilience.

In Inclusive Finance, while the year brought its share of testing conditions, strengthened its focus on higher-quality individual loans, with Vikas Loans now forming 55% of disbursements and 60% of the IF book. Nearly 98% of the portfolio is covered under the Credit Guarantee Fund for Micro Units

(CGFMU), with recoverable claims, and disciplined IRAC-compliant provisioning now covers 100% of the IF GNPA. Guardrails 2.0, implemented in November 2024, along with enhanced analytics and risk-based pricing, ensures better alignment between borrower capacity and lending terms, supporting resilient, diversified growth.

Focus on Retail Deposits

Strengthening our deposit base remains a core strategic priority, supported by 30,000+ digital FD customers, hybrid distribution, and Smart Banking Outlets that serve as focused touchpoints for micro-markets. Deposits grew steadily, with the CASA ratio rising to 20.9%, reflecting our focus on granular, sustainable liabilities. Innovative offerings like Double Joy Deposits are deepening engagement, reinforcing stable, diversified, and long-term deposit growth aligned with financial inclusion and digital adoption goals.

Tailored Offerings

We are segmenting our products to better reflect the aspirations of our customers. The 'Blossom' product is designed for women entrepreneurs, while Double Joy Deposits caters to the aspiring middle class, ensuring both safety and returns. We have also expanded our range of two-wheeler and small commercial vehicle loans for income-focused customers and launched secured credit card. These calibrated solutions enable us to address a broader spectrum of financial needs with greater depth and precision.

Our core brand idea for FY 2024-25, 'Smiles that Grow with You,' underscores our commitment to being a trusted, dependable partner throughout the customer's financial journey. Branding initiatives during the year reinforced our purpose-driven identity, positioning Suryoday as a responsible, inclusive, and accessible institution across platforms. Innovations such as Smart Banking Outlet formats and 'Roshni' women-centric

branches exemplify our customer-led approach to service design and delivery.

CSR development

Our CSR programmes, implemented directly and through the Suryoday Foundation, positively impacted 91,728 beneficiaries across health, education, livelihoods and financial literacy. We collaborated with the Rotary Club of Madras and the Kanavu Trust to address gaps in local infrastructure, promote youth development and public healthcare access in underserved areas.

Path Forward

In FY 2025-26, we will focus on deepening MSME engagement, broadening secured lending, and strengthening Vikas Loans, while driving CASA growth through digital journeys, expanding digital customer acquisition, and building a granular, retail deposit base. We will scale secured credit cards, introduce credit on UPI, and leverage our Smart Banking Outlet micro-strategy to enhance reach and engagement. At the same time, we will fortify internal controls, develop mid-management leadership, and embed customer-centric design across products and services. With a customer base exceeding 3.4 million, operations in 15 states and Union Territories, and a highly engaged workforce, we are confident of building on momentum and delivering responsible growth. Our mission is to grow and serve our existing base, ~1% of Indian households — more meaningfully, becoming their comprehensive service provider through initiatives anchored in customer experience and satisfaction.

I thank all our stakeholders for your continued trust and support.

Warm regards,

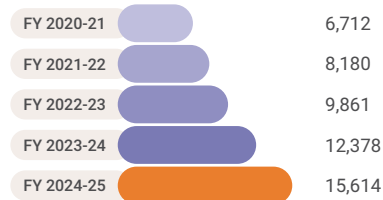
Baskar Babu Ramachandran
MD and CEO
[DIN: 02303132]

Resilient Performance in a Challenging Environment

Balance Sheet Metrics

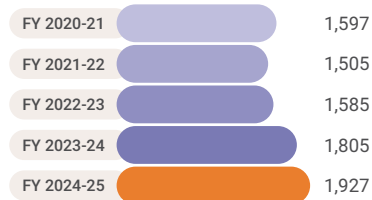
Total Assets

Crores (₹)



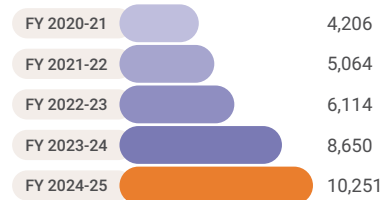
Shareholders' Fund

Crores (₹)



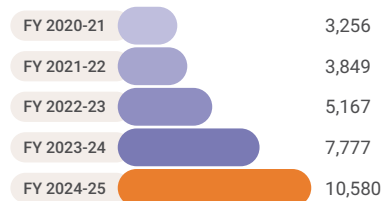
Gross Loan Portfolio

Crores (₹)



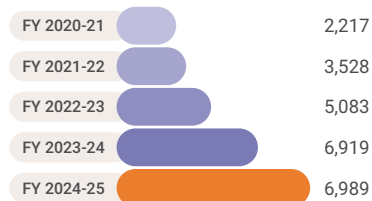
Deposits

Crores (₹)



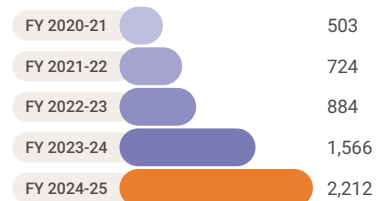
Disbursements

Crores (₹)



CASA

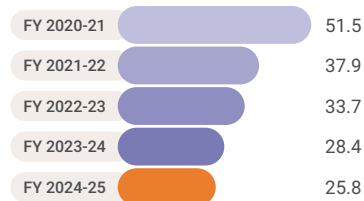
Crores (₹)



Key Ratios

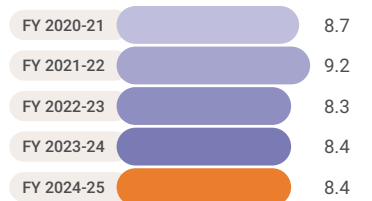
CRAR

(%)



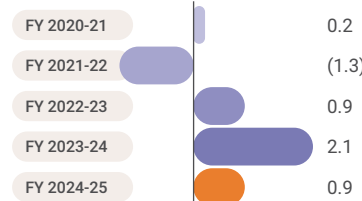
Operating Expense as a % of Gross Advance

(%)



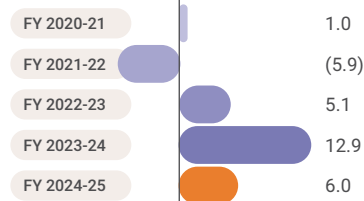
ROA

(%)



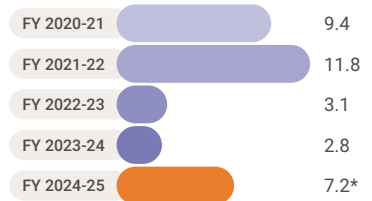
ROE

(%)



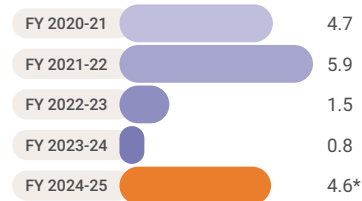
GNPA

(%)



NNPA

(%)

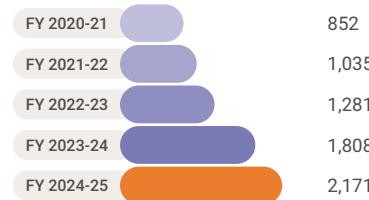


* GNPA (INR 734 Crores), NNPA (INR 457 Crores), against which INR 460 Crores is receivable under CGFMU scheme

Profit and Loss Metrics

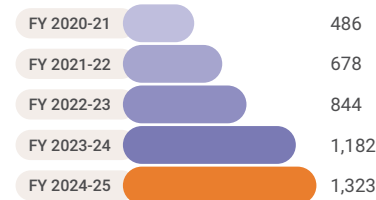
Revenue

Crores (₹)



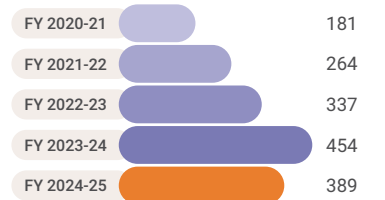
Net Total Income

Crores (₹)



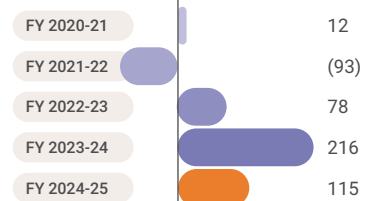
Pre-provisioning Operating Profit

Crores (₹)



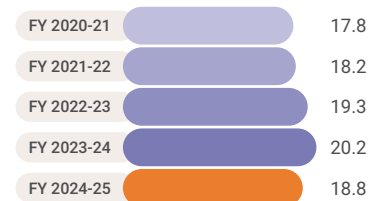
Profit After Tax

Crores (₹)



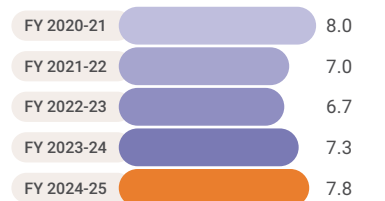
Yield on Advances

(%)



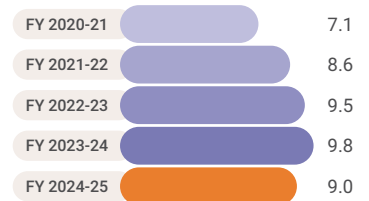
Cost of Funds

Crores (₹)

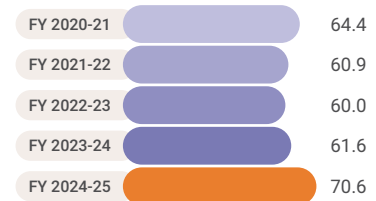


Net Interest Margin

Crores (₹)



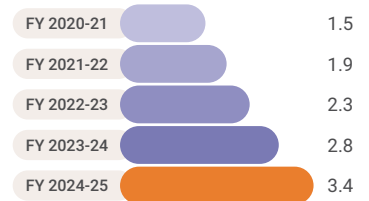
Cost-to-Income Ratio



Non-financial Metrics

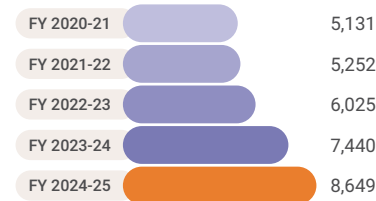
Customer Base

Millions



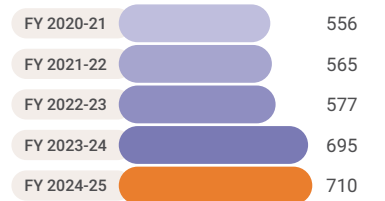
Employee Base

Number



Branches

Number





Operating Environment and Strategy — A Deep Dive



Evolving Landscape for small Finance Banks

The operating landscape of Small Finance Banks (SFBs) in India is constantly being redefined by a complex interplay of shifting macroeconomic dynamics, regulatory recalibrations and evolving customer expectations. As the aspirational middle-class grows, the conventional group-based lending model is gradually ceding ground to customer expectation for individualised, curated financial offerings. In parallel, deposit behaviour is shifting with customers increasingly gravitating towards alternatives, such as mutual funds and SIPs. Liquidity conditions remain constrained, driven by competing demand for customers' savings as well as stricter regulatory norms, compelling banks to rethink capital allocation and portfolio strategies.

Our Response

We have responded to these evolving dynamics by gradually moving beyond a purely micro-lending-led model to a more diversified, secure and inclusive banking institution. Our strategic focus has been on four fronts:

- Transitioning from group to individual lending
- Growth of Secured Loan Book
- Universal Branches and phygital model
- Prudent Risk Management of subscribing to credit guarantee schemes of the Central Government in respect of our unsecured loan portfolio since base year FY23 Technology and risk governance



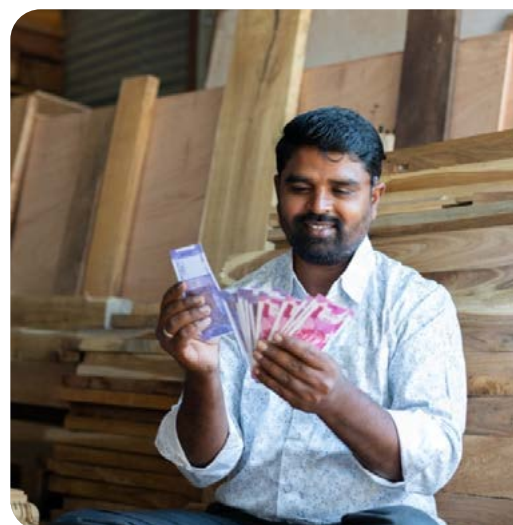
Changing Customer Preferences and Digital Engagement

Customers are increasingly drawn to banking experiences that are simpler, more intuitive and attuned to their individual preferences. As physical group-based models gradually phase out and mobile usage in semi-urban areas accelerate, banks must evolve their user engagement strategies to remain relevant and trusted.

Our Response

We responded by enhancing our digital customer-facing infrastructure while maintaining physical accessibility:

- Roll-out of Digital deposits
- Chatbot-led servicing
- Mobile and internet banking upgrades
- Customer-centric campaigns



Liquidity, Capital and Regulatory Resilience

SFBs function under stringent regulatory standards at par with universal banks, across liquidity management, capital adequacy and asset quality.

Our Response

We exit FY25 with a strong financial foundation:

- Comfortable CRAR at 25.8%, much above the regulatory requirement
- Comfortable liquidity coverage of 141.2%, backed by a balanced credit-to-deposit mix [achieving less than 100% for the 1st time]
- 81.1% of deposits being granular retail, ensuring stability amid market shifts
- Over 98.0% IF portfolio covered under CGFMU, safeguarding against event-driven risks *

*As of March, 2025 - GNPA (INR 734 Crores), NNPA (INR 457 Crores), against which INR 460 Crores is receivable under CGFMU scheme

Our Offerings across the Spectrum

Inclusive Finance



Who is it for?	What We Offer?	FY 2024-25 Highlights
Low-income and underserved households, first-time borrowers and financially excluded individuals.	Joint Liability Group (JLG) Loans Group-based lending model for first-time credit users. Vikas Loans (VL) Individual loans offered to graduating JLG customers with strong repayment records; priced using risk-based assessment.	- Inclusive Finance [IF] constitutes ~50% of our loan book - VL share in IF: 59% - Over 98% of IF portfolio covered under CGFMU - Total disbursement: ₹3,603 Crores (JLG + VL) - Average ticket size: ₹42,000 (JLG), ₹79,000 (VL) - We maintained a portfolio of ₹5,089 Crores with a Gross NPA of ₹734 Crores and Net NPA of ₹457 Crores, against which ₹460 Crores is expected to be recovered under the CGFMU scheme, reflecting prudent risk coverage and strengthened asset quality. - Products supported by digital onboarding and data-led underwriting

Mortgage Lending



Who is it for?	What We Offer?	FY 2024-25 Highlights
Urban and semi-urban households seeking affordable housing or looking to leverage property for business or personal requirements.	Kushal Loans (Home Loans): For purchase, self-construction, or resale Loan Against Property (LAP): For self-employed and small business needs Micro-Mortgages (Pragati Loans): Low-ticket loans targeting Tier 2/3 markets	- Portfolio size: ₹2,187 Crores - Disbursements: ₹988 Crores - GNPA: 0.5%; NNPA: 0.3% - Average ticket size: Mortgage:- ₹ 37 Lakhs Micro- Mortgage – ~₹6 Lakhs - Centralised underwriting, hybrid distribution and in-house sourcing

Vehicle Financing



Who is it for?	What We Offer?	FY 2024-25 Highlights
Individual drivers, fleet owners and entrepreneurs in semi-urban and rural markets.	Commercial Vehicle Loans (CV): new and used Two-Wheeler Loans (TW): via dealer partnerships Passenger Car Loans: newly launched	- Portfolio: ₹1,336 Crores - Disbursements: ₹916 Crores - GNPA: 0.17% - TAT reduced to 4 hours through automated checks 300+ staff across 85+ touchpoints

Financial Institution Group (FIG) Lending



Who is it for?	What We Offer?	FY 2024-25 Highlights
NBFCs, HFCs and financial institutions.	- Term loans to qualified financial institutions - Support for on-lending to retail borrowers in aligned segments	- FIG Book: ₹1,147 Crores, - High collection efficiency with 100% provision coverage (FIG) - Selective partnerships with risk controls in place

Supply Chain Finance (SCF)



Who is it for?	What We Offer?	FY 2024-25 Highlights
Vendors, suppliers and channel partners of large corporates seeking financing aligned with supply chain cycles.	- Vendor Finance solutions - Structured SCF products tailored to B2B partner ecosystems	- SCF portfolio scaled to ₹259 Crores - Lifecycle servicing

MSME



Who is it for?	What We Offer?	FY 2024-25 Highlights
Small businesses, micro enterprises, traders and self-employed individuals in need of working capital and short-term credit support.	- Unsecured MSME Loans - Pre-approved Top-ups - End-to-end digital underwriting, approvals, and disbursement	- MSME book: ₹30 Crores - End-to-end paperless journey - Deposit penetration with ~20% CASA - Multi-channel distribution: direct sourcing, and assisted branch support

Our Offerings across the Spectrum

Partnership Lending



Who is it for?	What We Offer?	FY 2024-25 Highlights
Fintechs, NBFCs and other platform-based lenders targeting niche or last-mile segments.	- Co-lending models with shared risk and returns - Digital-first partnerships with APIs and process integrations - Lending relationships structured for mutual scale and governance alignment	- Partnership Lending Book: ₹119 Crores - Selective onboarding of partners with robust governance controls - Emphasis on portfolio quality, digital integration, and aligned customer value propositions

Deposit Products



Who is it for?	What We Offer?	FY 2024-25 Highlights
Retail customers, small businesses, senior citizens and mass affluent segments.	- Savings and Current Accounts (CASA) - Fixed and Recurring Deposits - Double Joy Deposit (DJD): for assured long term returns - Specialised Accounts: TASC, Escrow, QR-linked	- Deposit base: ₹10,580 Crores - CASA ratio: 20.9% 81.1% of deposits are retail - Digital FD Book: ₹350 Crores, 1.6+ million unique deposit customers

Digital Deposits



Who is it for?	What We Offer?	FY 2024-25 Highlights
Retail customers, small businesses, senior citizens and mass affluent segments	- Digital FD - Secured Credit Card - Savings Account	- Deposits Book crossed ₹ 600 Crores with an exit runrate of ₹ 3 cr/day 30,000 customers acquired - Pilot launched Secured Credit Card



Digital and Assisted Services



Who is it for?	What We Offer?	FY 2024-25 Highlights
All customer segments, with special focus on those needing simple, accessible banking.	- Mobile and Internet Banking (revamped in FY25) - Tara Chatbot: WhatsApp-based with 51+ services - Assisted Digital FD and Account Opening - Vernacular content and user interfaces	- Strong NPS and app activity improvements - Multi-language engagement through digital campaigns - Featured in local language campaigns for VL, Espire and DJD

Social Security and Insurance Offerings



Who is it for?	What We Offer?	FY 2024-25 Highlights
Unserved households, women borrowers and first-time financial users.	- PMJJY (Life Insurance) - PMSBY (Accident Insurance) - Wellness Partnerships with Apollo, Akbar Travels, Magma Health	100% IF customers are women - Continuing Roshni branches focused on women savers - Embedded financial literacy and cross-sell programmes

Handholding Customers, Fostering Evergreen Relationships of Trust

We have designed our customer journey in a manner that encourages enduring trust, strengthens financial understanding and enables people to transition from first-time borrowers into informed banking partners who grow with us over time.

Stage 1 First Access



For many of our customers, the journey begins with little prior access to formal banking. It is through Joint Liability Group (JLG) loans and a community based approach in which we enable them to navigate their initial steps towards financial empowerment.

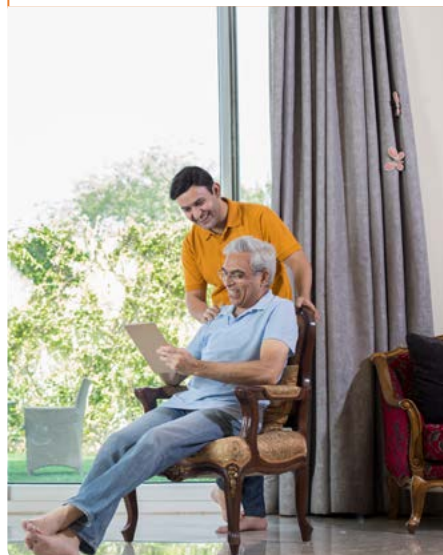
Offerings

JLG Loans, Assisted Digital Onboarding

Support	Risk Management	Touchpoints
Financial literacy (Adhira, Swayamshree), social security awareness	Over 98% of IF advances covered under CGFMU Guardrails 2.0 implemented since Nov'24	Doorstep field officers, multilingual outreach, URM-URO model

“I had never saved before. After Suryoday Foundation's guidance, I opened an account, started an RD and enrolled in insurance schemes.”
Maya
Domestic Help

Stage 2 Financial Graduation



Once customers establish a credit history, we gradually transition them to Vikas (VL). These are individualised offerings with risk-based pricing, designed to encourage greater personal financial accountability.

Products	Risk Management	Financial security
Vikas Loans	over 98% of IF advances covered under CGFMU Pre-approved curated customers through BRE	PMJJY, PMSBY, salary accounts

“After switching to VL and opening a bank account, I feel confident of managing my money. I even signed my name on a form for the first time.”
Anusaya Vijay

Stage 3 Financial Deepening



As confidence grows and ambitions broaden, customers begin to explore avenues for asset creation, income generation and long-term planning. At this point, we naturally transition into becoming their principal banking partner.

Secured Lending

Home Loans, LAP, Micro-Mortgages, CV Loans, Two-Wheelers

Working Capital for Business

Micro-LAP MSME Loans, Supply Chain Finance (SCF)

Savings and Deposits

Digital FD, RD, DJD

“We managed to save ₹1 Lakhs as a couple. I now plan to open a fixed deposit to avoid unnecessary spending.”
Laxmi Kore

Stage 4 Confidence and Community Impact



Suryoday Small Finance Bank continues to drive impactful CSR initiatives that focus on inclusive development and address critical social needs as well as foster long-term community well-being.

In FY 2024-25, the Bank in partnership with -

- Suryoday Foundation
- Kanavu Trust in Killai Village, Tamil Nadu
- Delhi House Society Sewa Ashram, Delhi
- Rotary Club of Madras, Tamil Nadu

CSR Reach (FY 2024-25)

- 91,728 individuals impacted
- 22,586 reached through health programmes
- 4,771 product linkages enabled

7,969

social security linkages facilitated

rolled out programmes spanning health, education, financial literacy, and livelihood development respectively.

Serving Millions with a Robust Business Model

Inputs

₹10,580 Crores
deposit base (81.1% retail)

25.8%
Capital Adequacy Ratio

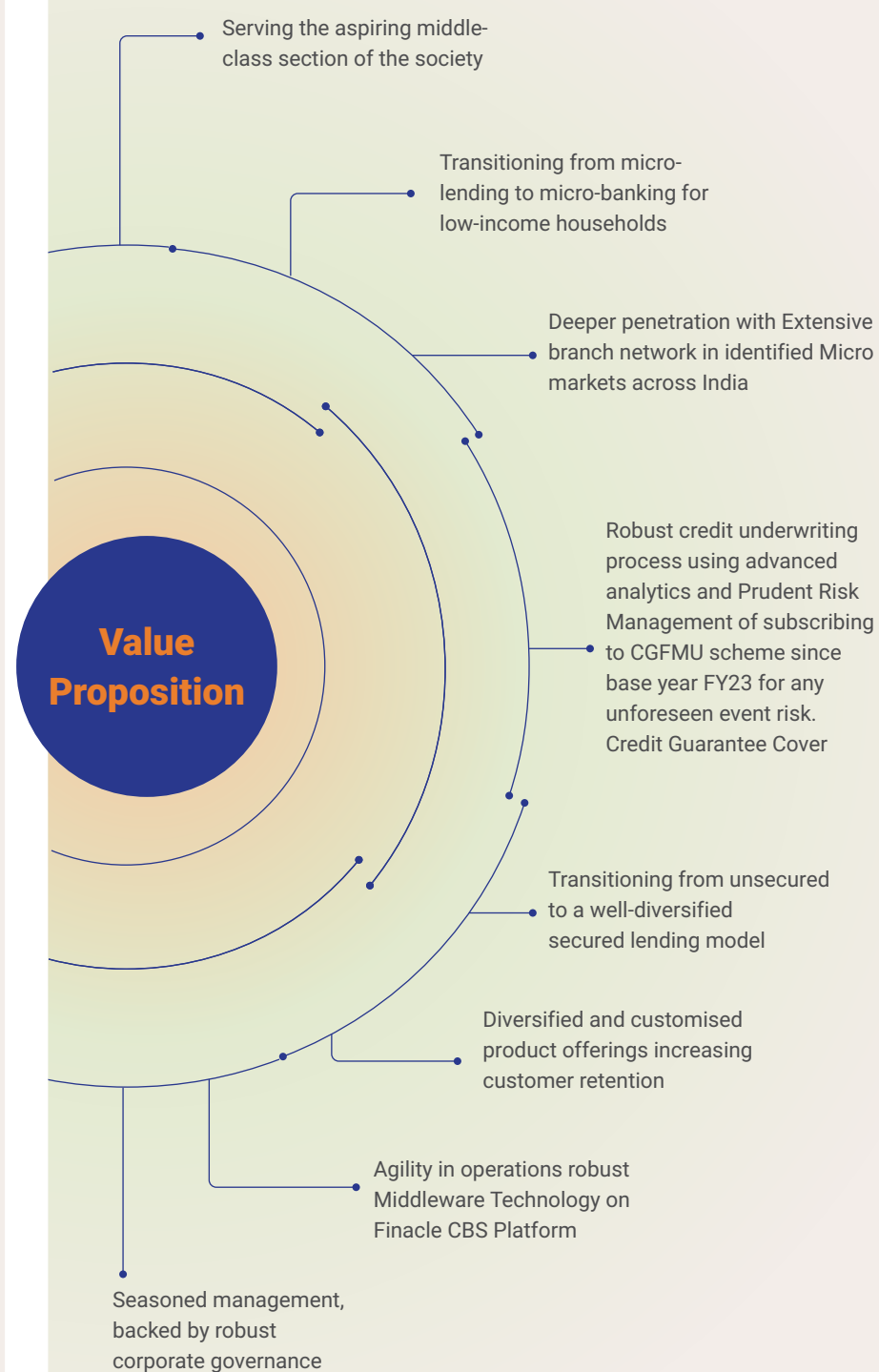
710
Banking outlets across 15 states and UTs respectively

Middleware-based digital platform (Finacle CBS)
Risk-based Pricing and Model Risk Policy implemented

8,649
employees across retail, inclusive finance and secured verticals

100%
of IF customers are women
Financial literacy outreach and PMJJY/PMSBY integration
Local language campaigns and high NPS

Value creation process



Outputs

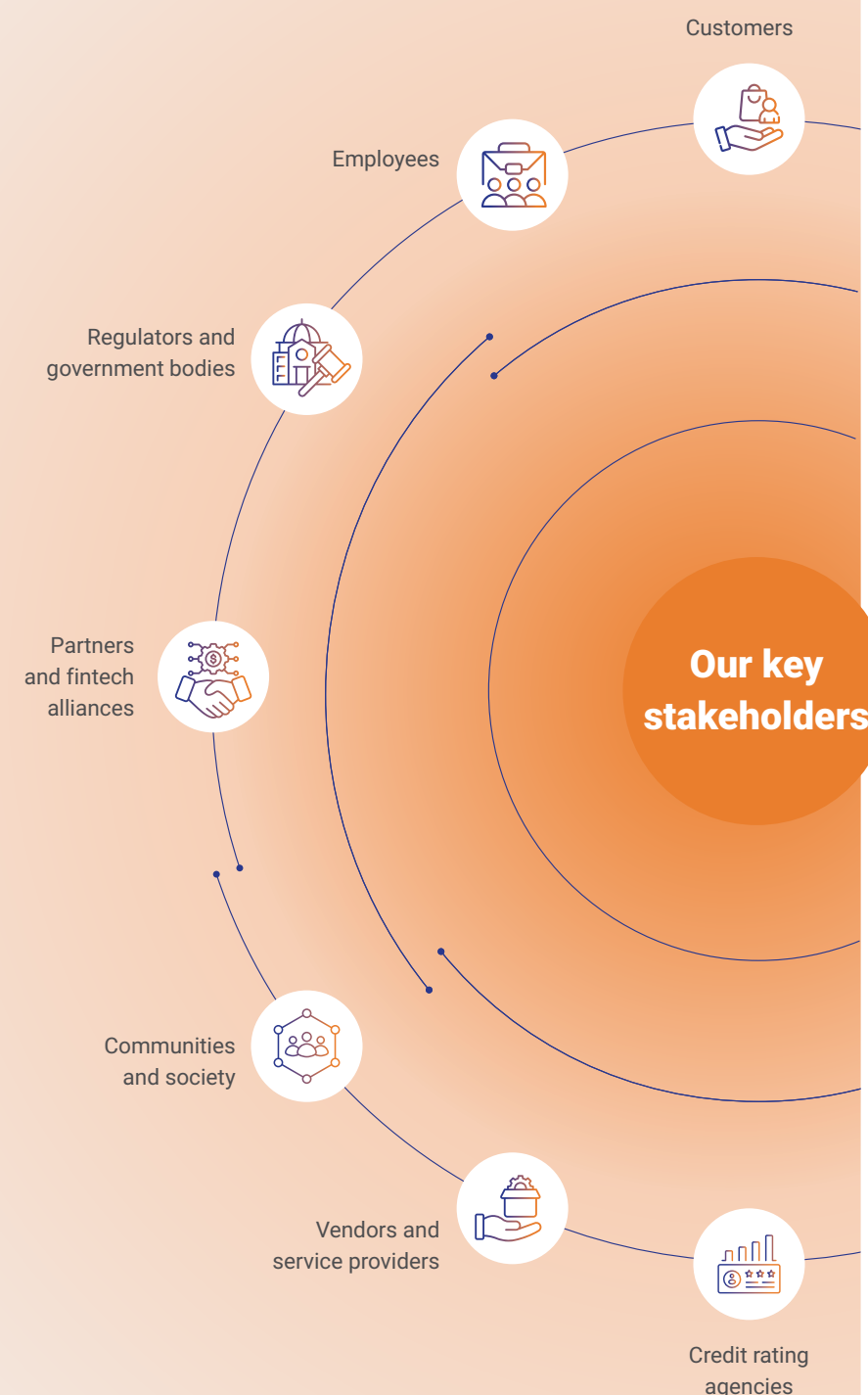
₹10,251 Crores (18.5% YoY growth) Gross advances crossed
PAT of **₹115 Crores** in FY25

Introduced pilot Low-cost infra SBO (Smart Banking Outlets) Model
Mobilised **₹16 Crores** from **15,000+ customers**
Digital deposit book stood at **₹ 600 Crores** (~ ₹ 350 Crores FD);
₹ 3 Crores/day Digital FD run-rate

Risk-aligned product pricing and digital underwriting
Focus on Vikas loan, MSME and continuing momentum in CV and Mortgage
Introduced secured credit cards and SCF (Supply Chain Finance)

170
Training programme
6,136
Number of new joiners

3.4 Mn Customers
MSME disbursement of **₹10 Crores/month (₹30 Crores advances)** with 20% CASA



A Strong, Multi-layered Risk Management Architecture

At Suryoday Bank, risk management is a dynamic and integral framework that spans every aspect of our operations. The Bank's Chief Risk Officer (CRO) leads this function under the guidance of the Risk Management Committee of the Board (RMCB).

Our framework ensures that risks are regularly identified, reviewed and mitigated in a manner that supports both financial resilience and regulatory compliance.



RMCB Oversight and Strategic Focus

The Risk Management Committee of the Board (RMCB) plays an instrumental role in evaluating the nature and probable impact of diverse risks across the operations of the Bank. Its responsibilities include



The Bedrock of Our Success - HR

Our people from the foundation of everything we do—from cultivating enduring relationships with customers to managing risks, developing new products and ensuring excellence across 15 states and union territories. As we progress from a microfinance institution to a comprehensive small finance bank, we are purposefully building a talent base that is agile, customer-focused and digitally empowered.

8,649

Total Employees

710 outlets

Branch Network

900+

Women Employees

15

States and UT Presence

Capability Building for a Sustainable Product Portfolio

Inclusive Finance Individual Loans and MSME

In changing landscape of Inclusive Finance we felt the need of individual customised underwriting rather than a group underwriting. We helped borrowers to transition from group loans to individualised Vikas Loans (VL), which now form ~60% of the Inclusive Finance book. Staff were trained on credit behaviour assessment and promoting digital repayments, which now account for over 40% of VL collections. In MSME, teams were equipped to evaluate cash flows and income proxies, supporting a portfolio of ₹30 Crores with a ₹50 Crores/month disbursement target.

Mortgage and Commercial Vehicle (CV)

Expansion Over 700 employees were trained for mortgage underwriting across 100+ locations, focusing on informal income assessment and alternate data use. In the CV segment, 300+ staff were trained on sourcing and servicing under a hub-and-spoke model. These efforts supported ₹2,187 Crores gross advances in mortgages and ₹1,336 Crores gross advances in CV with strong asset quality (GNPA at 0.17%).

Deposit Mobilisation

Employees in asset-only branches were upskilled into universal bankers, enabling them to manage CASA, FDs and savings campaigns like Double Joy Deposits. As a Bank we always focused on retail deposits, now at 81.1% of the book. Digital Deposit which came through digital channels via partnership on our own stands at 600 Crores where manual intervention is minimal. We also scaled SBO (Smart Banking Outlet) branches which is light infra branch model to garner deposit and focusing on micro market strategy.

Digital Banking & Customer Enablement

Frontline staff were trained on digital tools such as mobile banking, chatbot Tara, and e-FD journeys often in regional languages. Back-end teams adopted digital platforms like Finacle and in-house APIs to streamline onboarding and credit evaluation. Today, ~50% of VL repayments are digital, reflecting improved customer engagement and tech-readiness. Some of the new initiatives for FY 2024-25 were – Pilot launched secured credit card

Human-Centred Customer Engagement

Our operating model places great emphasis on empathy, simplicity and trust delivered through personal interactions and aided by technology.

URM-URO Framework

The Urban Relationship Manager (URM) and Urban Relationship Officer (URO) roles were institutionalised across our inclusive finance branches to enhance relationship-building and facilitate prompt resolution of concerns at the first point of contact.

Assisted Digital Adoption

Branch teams played a critical role in onboarding over 30,000 Digital FD customers, particularly first-time digital users through simplified interfaces and multilingual communication.

Multilingual Engagement

Employees engaged in hyperlocal campaigns in Marathi, Gujarati, Tamil, Telugu and Kannada, reinforcing accessibility for diverse communities.

Workplace Culture Rooted in Mutual Respect and Quality Growth

We strive to maintain an open, transparent and growth-oriented culture, where learning is continuous and every employee feels valued.

Flat Structure, Fast Decisions

The decentralised nature of our decision-making allows each team to remain attuned to local market requirements, responding with agility to customer needs that vary by region and context.

Gender-Inclusive Approach

Our Roshni branches women-only deposit branches reflect our commitment to gender inclusion. The branches are supported by women relationship officers trained in both financial products and community sensitisation.

On-ground Insights

Our employees often serve as both service providers and informal financial educators in semi-urban and communities, helping us stay close to the everyday realities of our customers.



Enabling Dreams, Securing Futures

We hold the view that progress finds its truest meaning not in statistics, but in the quiet, steady upliftment of lives. Through the Suryoday Foundation, our social impact arm, we walk alongside communities that often been left underserved and marginalised to help them make informed financial decisions, access essential services and build resilience for the future.

Our programmes stand on five crucial pillars: financial literacy, health, livelihood, education and community development. Each initiative embodies our commitment to enhancing the quality of life and enabling long-term financial and social wellbeing.

91,728

People Impacted

4,771

Bank-Products Linkages

22,586

Health Programmes

7,969

Social Security Linkages
Facilitated



Financial Literacy and Inclusion

Financial Literacy and Inclusion

We design and deliver targeted literacy programmes that enable individuals comprehend and access formal financial systems.

Adhira (Mumbai, Navi Mumbai)

Adhira is a financial literacy programme designed specifically for domestic workers. It focuses on digital banking, salary account benefits, savings tools, social security schemes, and access to various government entitlements.



Enabling Dreams, Securing Futures

Key Outcomes

Mukhyamantri Majhi Ladki Bahin Yojana

Facilitated financial assistance of ₹11,000 each to over 1,250 women through coordinated application support.

Utensils Distribution

In partnership with the Labour Department, 500 domestic workers received household utensil kits worth ₹10,000 each.

Sanjay Gandhi Niradhar Yojana

Initiated pension support for widows. Despite overlaps with other schemes, 15 widows now receive a monthly pension of ₹1,500.

Bal Sangopan Yojana

Monthly assistance of ₹2,250 per child was enabled for 9 children from single-parent or distressed families.

721

Mobile linked to Aadhaar

2,576

Access to Insurance/Atal pension/RD/FD/Mahila Sanman saving certificate

891

Bank Accounts opened

3,362

Abha registration

1,765

Eshram registrations done

4,796

Workers cards

4,435

Mahatma Phule health benefit eligibility screening

4,154

Workers taking salary in bank account

Ujjwal (Cuddalore, Khordha, Puducherry, Navi Mumbai)

A banking literacy initiative for youth (14–20 years), focusing on small savings, future planning and financial communication with families.



Swayamshree (Rural/tribal areas)

This programme is designed for entire families in rural and tribal communities, combining financial literacy, digital awareness and social security access.



Outcomes of Ujjwal and Swayamshree

Bank Products (Insurance, Pension, Recurring Deposit)

1,177

(out of this RD accounts opened for 959 students)

1,230

ABHA Card Registrations

Health and Preventive Care

Spandan (Cuddalore, Khordha, Puducherry, Navi Mumbai, Mumbai)

A health awareness initiative focusing on reproductive health, anaemia, menstrual hygiene, eye check-ups and preliminary screening for women and children. Camps are organised in collaboration with public health centres to ensure continuity of care.



Livelihood Support for Women

Udyojika (Cuddalore, Khordha, Puducherry, Navi Mumbai, Mumbai)

This is a livelihood-strengthening programme centred around women from low-income families across rural, tribal and urban areas. The initiative supports income generation, promotes savings and helps create buffers for financial shocks.



Enabling Educational Access

Vidya (Navi Mumbai)

This programme aims to enhance the quality of education by providing infrastructure support. In addition, it encourages extracurriculars, such as music, drama and sports, nurturing all-round development.



Community Development

Kanavu School, serving over 500 students from LKG to Grade X since 2017, continues its mission to provide meaningful, sustainable, and affordable education to children from nearby villages. To improve hygiene and safety,



the old bathroom complex (built in 2007) was replaced with a new facility. The new bathroom complex includes

16 urinals

each for boys and girls

5 toilets

each for boys and girls

The construction was completed and the facility was inaugurated on 27th January. Students have been using it since, benefiting from a cleaner and safer environment.

The Single Mothers Support Program by Delhi House Society Sewa Ashram aimed at addressing the unique challenges faced by single, abandoned, and underprivileged mothers. 30 women were enrolled in program, receiving comprehensive support in several key areas like Job & Employment Support, Health & Nutritional Support, Skill Development & emotional and mental well-being

Enabling Dreams, Securing Futures

From First Steps to New Possibilities



I have been working as a domestic worker for 18 years, worked hard and earned, but never thought of saving. When I met Suryoday Foundation didi, I understood how can save. Now I have opened an Recurring Deposit account and encouraged my husband to do the same. We both have also enrolled in Pradhan Mantri Suraksha Bima Yojana insurance. I wish I had met her earlier and received this information. 💡💡

Neha Padmakar Salvi

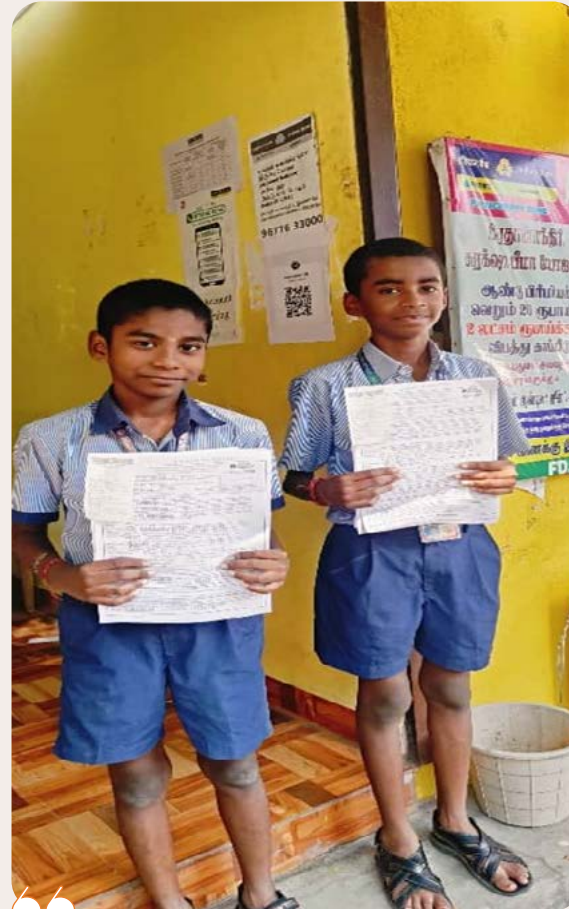
Domestic Worker, Thane, Maharashtra



My mother worked hard as a domestic worker. After attending the Suryoday Foundation session, she enrolled in two insurance schemes. My mother passed away few month ago, but because of her thoughtful decision, my father will now get support from the insurance claim. We are grateful to the Foundation for helping us through this process. 💡💡

Daughter of Late Jayashree

Ghansoli, Navi Mumbai, Maharashtra



Even though I wanted to move forward, I was stuck because I had no documents. My children were not getting their scholarships. During the Suryoday Foundation training at our home, I shared my problem. With their help, I got my Aadhaar card and opened Jan Dhan accounts for both sons. Now they receive their scholarships, and I feel the path ahead is a little easier. 💡💡

Kowsalya

Muthialpet, Puducherry



I always wanted to save money but had no information and did not know where to begin. I studied only till class 4 and was afraid to go to the bank. Through Suryoday Foundation, I received the right information, support, and confidence. Now I have my own bank account, invested in Mahila Sanman Yojana, and enrolled in various schemes. I feel so confident now, that I also help other women in my community. 💡💡

Dipali Mankar

Domestic Worker, Vitawa, Navi Mumbai

Board of Directors



M

M

M

M

C

C

Mr. Krishna Prasad Nair
Part-time Chairman,
Independent Director



M

M

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Mr. John Arunkumar Diaz
Independent Director



C

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M

Ms. Swati Datye
Independent Director



M

M

C

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C

M

M

M

Mr. Deepak Kumar Sharma
Independent Director

5
Number of Independent Directors

61 years
Average Board age

100 %
Board attendance in Board meetings

1
Number of woman Director on Board

11
Number of Board meetings held in FY25



C

M

M

Mr. Vivek Karve
Independent Director



M

M

M

Mr. Ranjit Shah
Investor Director



M

M

M

M

M

M

C

Mr. Baskar Babu Ramachandran
Promoter, MD and CEO



M

M

M

Mr. Hemant Shah
Whole-time Director
[Executive Director]

© Chairperson Ⓜ Member

-  Audit Committee of Board
-  Nomination and Remuneration Committee
-  Risk Management Committee of Board
-  IT Strategy Committee
-  Credit Committee of Board
-  Customer Service Committee

-  Corporate Social Responsibility & ESG Committee
-  Stakeholders' Relationship Committee
-  Special Committee of the Board for monitoring and follow up of cases of frauds
-  Board Committee for Review of Wilful Defaulters

Leadership Team



**Baskar Babu
Ramachandran**
MD & CEO



Hemant Shah
Executive Director



Kanishka Chaudhary
Chief Financial Officer



Senthil Kumar
CBO – IF,
Wheels & Distribution



**Krishna Kant
Chaturvedi**
Company Secretary



Yogesh Dixit
Chief Risk Officer



Shankar Surendran
Chief Compliance Officer



Gaurav Popat
Chief Audit Officer



Vishal Singh
Chief Information Officer
& Head - Digital Banking



Gaurav Pawra
CBO – Retail
Banking & Mortgages



Sudhakar Mogera
Business Head - FIG, SCF
& Partnership Business



Anand Balaji
Head – Micro Mortgages
& Administration



Vikas Deshmukh
Chief Technology Officer



Sasidhar Vavilala
Head – Business
Intelligence & Analytics



Kartik Krishnan
Head – Treasury



Paul Jose
Vice President -
Liability Products



Radhika Gawde
Chief Credit Officer



Nitin Kohli
Head Credit and Collections
– Inclusive Finance



Jitender Kumar
National Sales Head -
Commercial Vehicle Finance



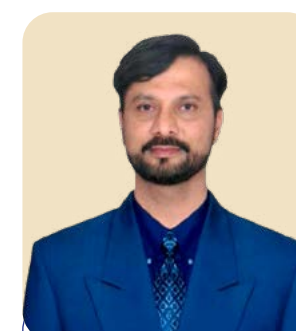
Upendra Chitre
Head Customer Experience
& Liability Partnerships



Pandurang Dixit
Chief of Internal Vigilance



Kartiklingham Nadar
Head - Operations



Basant Kumar L M
Head – Legal

Our Policies

We maintain a comprehensive suite of policies to uphold transparency, governance, customer protection, employee conduct and responsible banking. These policies steer our operations, ensure regulatory adherence and cement our values across all touchpoints.

Governance and Board-related Policies



Corporate Governance Policy



Policy on Appointment of Directors and Senior Managerial Personnel



Policy for Evaluation of Performance of Board



Policy on Succession Planning



Policy to Promote Diversity of Board of Directors



Policy on Familiarisation Programmes for Independent Directors



Archival Policy



Policy on Determination of Materiality of Events

Financial, Disclosure and Audit Policies



Dividend Distribution Policy



Related Party Transaction Policy



Prevention of Insider Trading Policy

Responsible Lending and Fair Practices



Comprehensive Deposit Policy



Fair Practices Code (Available in English, Hindi, Marathi, Gujarati, Kannada, Oriya, Tamil)



Collection and Recovery Policy



Customer-centric Policies



Policy on Customer Service



Customer Compensation Policy



Customer Grievance Redressal Policy



Customer Protection Policy



Policy on Cheque Collection



Model Operational Procedure for Settlement of Claims for Deceased Depositor

Employee and Conduct Policies



Prevention of Sexual Harassment (POSH) Policy



Code of Conduct Applicable to Directors and Senior Management of the Bank



Compensation Policy



Whistle Blower Policy



Social Media Policy

Social, Environmental and CSR Policies

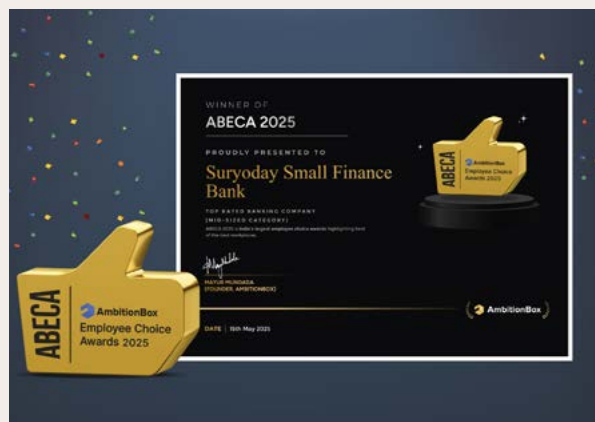


Corporate Social Responsibility Policy



Social and Environmental Sustainability Policy

Awards



AmbitionBox Employee Choice Awards 2025



APY Award for FY 24-25 PERSISTENCY WARRIOR & APY Award for FY 24-25 PERSISTENT LEADERSHIP



Swatch Sarvekshan 2024 by NMMC



State Bank of India (SBI) Awards (Sambalpur District, Odisha) - Top Performing Small Finance Bank' under the Annual Credit Plan for the Financial Year 2024-25.



Ecosystem-Led Innovation-Platinum Winner for Driving Digital Transformation to Modernize New Age Banking at the Infosys Finacle Innovation Awards 2025



Digital First Banking Award, Bharat Fintech Summit 2025



Board's Report

Dear Members,

Your Board of Directors ("**Board**") is pleased to present the Seventeenth 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, 2025.

A. FINANCIAL SUMMARY AND HIGHLIGHTS

The Bank's performance during the FY ended March 31, 2025, as compared to the previous FY is summarized below:

	(₹ in Crores)	
Particulars	FY 2024-25	FY 2023-24
Advances (Net of provision)	9,974.3	8,078.0
Deposits and borrowings	13,289.9	10,220.2
Total Income	2,171.0	1,808.1
Operating and Interest Expenses	1,781.8	1,354.2
Operating Profit	389.2	453.9
Provisions and Contingencies (including tax)	274.2	238.0
Profit for the year	115.0	216.0
Add: Surplus brought forward from previous year	317.9	151.4
Amount available for appropriation	432.9	367.3
Statutory Reserve under Section 17 of the Banking Regulation Act, 1949	28.7	54.0
Investment Fluctuation Reserve	-7.0	-4.6
Capital Reserve	4.2	-
Surplus carried to Balance Sheet	406.9	317.9
EPS (Basic)	10.82	20.34
EPS (Diluted)	10.75	20.15

a) Key Performance Highlights:

- The Net Interest Income of the Bank for the year was ₹ 1,106.1 Crores as compared to ₹ 962.2 Crores in the previous year (YoY growth of 15%).
- The Bank has achieved a Profit of ₹ 115.0 Crores for the year ended March 31, 2025, as compared to Profit of ₹ 216.0 Crores in the previous year.
- The Gross Loan Portfolio witnessed a jump of 18.5% to ₹10,251.2 Crores and there was a substantial rise in deposits by 36% to ₹ 10,579.6 Crores.
- The Balance sheet size grew to ₹ 15,614.4 Crores as on March 31, 2025, as compared to ₹ 12,377.7 Crores as on March 31, 2024 (YoY growth of 26.1%).
- The CASA constituted 20.9% of the overall deposits of the Bank.
- The Capital Adequacy Ratio ("**CRAR**") was 25.8% as on March 31, 2025 (March 31, 2024: 28.4%) as compared to the statutory minimum required 15%.
- The Provision Coverage Ratio ("**PCR**") as on March 31, 2025 was at 37.7% and including the CGF MU benefit, PCR was at ~100%.
- Cost to Income ratio for the year ended March 31, 2025 was 70.6 % as compared to 61.6% for the

previous year. The Return on Assets was at 0.9% in FY'25 as compared to 2.1% in FY'24.

- The number of banking outlets increased from 695 as on March 31, 2024 to 710 as on March 31, 2025, including, 197 Unbanked Rural Centres.

B. OVERVIEW OF BUSINESS & OPERATIONS

In a challenging global macroeconomic and geopolitical environment, the Indian economy has displayed a sharp growth momentum, with resilience and financial stability. Despite several challenges and uncertainties, the Indian economy remained on a positive trajectory, positioning itself as a key player in the global economic landscape. With a prudent fiscal policy and a conducive business environment, India is poised to sustain its growth momentum and strengthened its position in global economy. The government's initiatives to boost manufacturing, infrastructure development, and digital transformation have propelled the economy forward, attracting both domestic and foreign investment.

The banking and financial sector played a crucial role in supporting this growth momentum, contributing to overall economic stability and development. The optimistic economic environment presents ample opportunities for small finance banks in India to contribute to financial inclusion and economic development.



During FY 2024-25, the Bank demonstrated consistent resilience in secured assets, however faced challenges in the Micro Finance sector due to a range of issues which impacted the whole sector. The Bank had been subscribing to the CGFMU (Credit Guarantee) scheme since FY 2022-23, which has helped the Bank to mitigate the challenge during the stress and helped protecting the capital. The Bank continued its growth momentum on key metrics, including Asset and Deposit growth, and digital products for higher engagement with Customers. The Bank also remained focused on sustainable growth, leveraging its strong regulatory compliance framework, with a focus on digital products and strategic partnerships to fortify its position in the market and deliver consistent returns to stakeholders.

The Bank shall be focussing on the following during FY 2025-26:

- a) **Individual Loans:** Sustaining focus on Individual Loans with continued coverage under government-backed insurance schemes.
- b) **Focus on MSME segment:** The Bank shall be capitalizing on the growth of the MSME segment.
- c) **Secured Products:** Driving deeper market penetration and continued momentum of secured products like mortgage & CV, to achieve 55% secured mix for balanced, lower-risk, growth. Further, the Bank would be focussing on Asset quality during the year. The Bank's focus would continue in individual loans (both ETB as well as NTB) with 100% CGFMU Coverage. Further, the Bank would also be focussing on expanded reach for its Wheels business in new markets and products, targeting sustained CAGR with stable asset quality. Also, regarding the Mortgage business, the Bank would be maintaining momentum with a focused segment-wise approach and continued investments in the ecosystem.
- d) **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 has introduced the following products and collaborations:
 - **Women Savings Account:** Launched Women's Savings Account product with added benefits and better returns on savings account.
 - **Double Joy Deposit:** During the year the Bank launched 'Double Joy Deposit', which is a distinctive long-term recurring deposit scheme designed to combine disciplined savings with assured returns. The 22-year product features an 11-year contribution period followed by an 11-year systematic withdrawal phase, offering customers a predictable income stream. At maturity, the deposit delivers 2x returns on the total invested amount—making it a compelling

solution for long-term financial planning and income stability. This innovative product reinforces the Bank's commitment to customer-centric solutions that promote long term financial security.

- e) **Digital Tie-Ups:** The Bank shall work towards focused growth via segmented CA, digital SA, and a hybrid (digital & low-cost branch led) FD strategy. Further, the Bank shall be accelerating its digital journey to offer various products through partners like secured credit card & credit on UPI and positioning itself as the preferred banker for the aspiring middle class.

C. DIVIDEND

The Bank has formulated and implemented a Dividend Distribution Policy pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") 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-distribution-policy-fy-25-26-1.0.pdf>

Considering the need to preserve capital to support growth and expansion plans of the Bank, the Board of Directors did not recommend a dividend for the FY ended March 31, 2025.

D. TRANSFER TO RESERVES

As per the requirements of the RBI Regulations and other applicable Regulations, the Bank has transferred to/ (Transfer from) the following amounts to various reserves during FY ended March 31, 2025:

Amount transferred to/(from)	₹ in Crores
Statutory Reserve	28.7
Capital Reserve	4.2
Investment Fluctuation Reserve	(7.0)

E. 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 2024-25.

F. CHANGE IN NATURE OF BUSINESS

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

G. SHARE CAPITAL

a) Authorised capital:

During the year under review, there was no change in the Authorised Share Capital of the Bank and as at March 31, 2025, the Authorised Capital of the Bank stood at ₹ 150,00,00,000 (Rupees One hundred and Fifty Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 10 (Rupees Ten) each.

b) Paid up Capital:

During the year under review, the Bank has issued and allotted 84,126 (Eighty Four Thousand One Hundred and Twenty Six 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

₹ 1,06,20,06,980/- (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 to ₹ 106,28,48,240/- (Rupees One Hundred Six Crores Twenty Eight Lakh Forty Eight Thousand Two Hundred and Forty Only) divided into 10,62,84,824 (Ten Crores Sixty-Two Lakh Eighty Four Thousand Eight Hundred and Twenty Four only) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid-up as on March 31, 2025.

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

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

d) Debt Instruments

As at March 31, 2025, the Bank had one series of Debentures issued on Private placement basis consisting of 1000 Nos. of 12.5% Rated, Listed, Unsecured, Subordinated, Redeemable Lower Tier II Bonds in the form of Non-Convertible Debentures having face value of ₹ 10 Lakhs each, amounting to ₹ 100 Crores which are listed on BSE.

H. CREDIT RATINGS OF VARIOUS INSTRUMENTS

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

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

I. CAPITAL ADEQUACY RATIO

- 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, 2025, the CRAR of the Bank stood at 25.8% well above the regulatory minimum requirement of 15%. Tier I ratio of the Bank stood at 24.5% well above the regulatory requirement of 6% and Tier II capital was at 1.4%.

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

The Bank did not have any Subsidiary, Associate or Joint Venture Company during FY 2024-25. Accordingly, no statement is required to be reported in Form AOC-1.

K. ANNUAL RETURN

The Annual Return as mandated under the provisions of Section 92(3) read with Section 134(3)(a) of the Act in prescribed Form MGT-7 is available on the website of the Bank and the same can be accessed at

<https://www.suryodaybank.com/assets/pdf/ssfb-mgt-7-2024-25.pdf>

L. BOARD OF DIRECTORS

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

As on March 31, 2025, 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, 2025, the Board of the Bank comprised of Eight (8) Directors, of which Five (5) were Independent Directors including One (1) Woman Independent Director, One Non-Executive Non-Independent Director ("Investor Director"), Two (2) Executive Directors including 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 the FY ended on March 31, 2025, 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 the FY 2024-25 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:

- (i). The Shareholders of the Bank vide Special Resolution passed through Postal Ballot on April 28, 2024, accorded their approval for the appointment of Mrs. Swati Datye (DIN:06751552) 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.
- (ii). The Shareholders of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024, accorded their approval for the appointment of Mr. Hemant Premchand Shah (DIN: 10548728), as Whole-time Director ("**WTD**" designated as Executive Director and Key Managerial Personnel) of the Bank for a period of Three (3) consecutive years commencing from the date of taking charge as WTD i.e. April 01, 2024.
- (iii). The Shareholders of the Bank vide Special Resolution passed through Postal Ballot on July 08, 2024, accorded their approval for the appointment of Mr. Deepak Kumar Sharma (DIN:10575402) 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.
- (iv). Basis the recommendation of the Nomination and Remuneration Committee ("**NRC**"), the Board of Directors of the Bank on January 21, 2025, subject to the approval of the Shareholders had appointed Mr. Vivek Anant Karve (DIN: 06840707) as an Additional Director (Non-Executive Independent category) on the Board of the Bank with effect from January 21, 2025. Subsequently, the Shareholders of the Bank vide Special Resolution passed through Postal Ballot on April 15, 2025, accorded their approval for appointment of Mr. Karve as a Non-Executive Independent Director of the Bank to hold office for a period of Five (5) consecutive years effective from January 21, 2025 upto January 20, 2030 (*both days inclusive*), not liable to retire by rotation.

a) Re-appointments:

- (i). Mr. Ranjit Jayant Shah (DIN: 00088405), Investor Director, was re-appointed at the Sixteenth (16th) Annual General Meeting ("**AGM**") of the Bank held on September 12, 2024, and is liable to retire by rotation at ensuing AGM.

- (ii). Mr. John Arunkumar Diaz (DIN: 00493304) was re-appointed as Independent Director of the Bank at the 16th AGM of the Bank held on September 12, 2024, for the second term, effective from December 16, 2024 to August 08, 2026 (*both days inclusive*), i.e. until he attains the age of 75 years, as permissible under applicable Circulars and Regulations. Being an Independent Director, he is not liable to retire by rotation.

b) Completion of Tenure / Retirement(s)

- (i). Mr. Mrutunjay Sahoo (DIN: 00015715), a Non-Executive Independent Director of the Bank, who was re-appointed at the Thirteenth (13th) AGM of the Bank 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, retired from the position of the Independent Director of the Bank, effective from the close of business hours on September 21, 2024, on completion of his second term of Office as an Independent Director of the Bank.
- (ii). Mr. Jyotin Kantilal Mehta (DIN:00033518) who was appointed as a Non-Executive Independent Director of the Bank w.e.f. February 13, 2017, completed his second term of office, as an Independent Director of the Bank on close of business hours on February 12, 2025 (*i.e. on completion of total 8 years*), retired from the position of the Independent Director of the Bank in accordance with the applicable provisions of the Banking Regulation Act, 1949, the Companies Act, 2013 and SEBI Listing Regulations.

The Board of Directors place on record their sincere appreciation and gratitude for the valuable contributions made by Mr. Sahoo and Mr. Mehta, during their tenure as Independent Directors of the Bank.

c) Others

- (i). Mr. Ranjit Jayant Shah (DIN: 00088405), Non-Executive Non-Independent Director, being liable to retire by rotation at the ensuing AGM of the Bank and being eligible for re-appointment, the proposal for his re-appointment will be placed for approval of the Shareholders at ensuing AGM.
- (ii). The current term of Mr. Baskar Babu Ramachandran (DIN: 02303132), the Managing Director & CEO of the Bank, would be expiring on January 22, 2026. The NRC and the Board of Directors at their respective meetings held on May 7, 2025, and May 8, 2025 respectively, had reviewed the fit & proper status of the Managing Director & CEO and found him fit & proper for re-appointment in accordance with the RBI Circulars & guidelines in this regard and various other factors like maximum term, performance rating, leadership etc. The Board would be making necessary

recommendations to the Reserve Bank of India and the Shareholders for re-appointment of Mr. Baskar Babu Ramachandran (DIN: 02303132) as Managing Director & CEO of the Bank for a further period of 3 years with effect from January 23, 2026 to January 22, 2029 and these details shall be included in the Notice convening 17th AGM of the Bank.

M. KEY MANAGERIAL PERSONNEL

As of March 31, 2025, Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & CEO, Mr. Hemant Premchand Shah (DIN: 10548728) Whole-time Director (Executive Director), Mr. Kanishka Chaudhary, Chief Financial Officer and Mr. Krishna Kant Chaturvedi, Company Secretary & Compliance Officer, were the Key Managerial Personnel of the Bank in terms of Section 203(1) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

N. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Regulation 17(5) of SEBI Listing Regulations, the Bank has implemented a Code of Conduct for Directors and Senior Management Personnel (**SMPs**). This code attempts to set forth the guiding principles on which the Directors and SMPs of the Bank shall operate and conduct the Bank's business with its various stakeholders. All the Directors and SMPs have affirmed their adherence to the Code for FY 2024-25 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-of-conduct-applicable-to-directors-&-sr-mgmt-of-the-bank-fy-25-26-1.0.pdf>

O. MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, Eleven (11) Meetings of the Board of Directors were held and the gap between any two meetings were well within the statutorily permissible limits as per the provision of the Act read with Rules made thereunder and Secretarial Standard 1 issued by the Institute of Company Secretaries of India, and SEBI Listing Regulations. The details of meetings of the Board and Board Committees together with the attendance for each Director, have been comprehensively disclosed in the Corporate Governance Report.

P. MEETING OF COMMITTEES OF THE BOARD

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

As at March 31, 2025, there were Ten (10) Committees of the Board as given below:

Sr. No.	Name of the Committee
(i)	Audit Committee of the Board
(ii)	Risk Management Committee of the Board
(iii)	Nomination and Remuneration Committee
(iv)	Stakeholders' Relationship Committee
(v)	Corporate Social Responsibility & ESG Committee (formerly known as Corporate Social Responsibility Committee)
(vi)	IT Strategy Committee
(vii)	Customer Service Committee
(viii)	Credit Committee of the Board
(ix)	Special Committee of the Board for monitoring and follow up of cases of frauds *(w.e.f. December 12, 2024)
(x)	Board Committee for Review of Wilful Defaulters *(w.e.f. December 12, 2024)

* In accordance with the RBI Master Directions RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15, 2024 and RBI/DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024 and basis the recommendation of the NRC, the Board of Directors at their meeting held on December 12, 2024 approved the reconstitution of former Committee namely 'Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters' ("**SCBF & RWD**") into two separate Committees with effect from **December 12, 2024**, as per the details given below:

- Special Committee of the Board for monitoring and follow up of cases of frauds;
- Board Committee for 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 2024-25.

Further, in order to facilitate the Board effectiveness, efficiency and faster decision making, the Bank has also constituted a few Management Level Committees for better governance and supervision. The Bank has constituted various Management Level Committees viz. Investment Committee (IC), Risk Management Committee of the Executives (RMCE), Vendor Management Committee (VMC), Asset Liability Management Committee (ALCO), Branch Level Customer Service Committees, Standing



Committee on Customer Service, New Product Approval Committee, Executive Credit Committee, Management Committee for Staff Accountability, Information Security Steering Committee (ISSC), IT Steering Committee, Executive Committee (EXECOM), Internal Complaints Committee etc.

Q. MEETING OF INDEPENDENT DIRECTORS

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

During the year under review, Two (2) meetings of Independent Directors of the Bank were held on May 07, 2024, and November 14, 2024 and various matters were discussed & reviewed at the meeting inter alia covering the following:

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

R. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

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

Pursuant to the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Independent Directors of the Bank have successfully registered their names in the online databank of Independent Directors maintained & administered by the Indian Institute of Corporate Affairs. The Independent Directors have also confirmed that they were not aware of any circumstance or situation which

existed or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

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

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

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

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

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

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

This Policy has been disclosed on the Bank's website at:- https://www.suryodaybank.com/assets/pdf/policies/Suryoday_Compensation_Policy_FY23-24_4.0.pdf and <https://www.suryodaybank.com/assets/pdf/policies/policy-on-appointment-of-directors-and-senior-managerial-personnel-fy-25-26.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.

Pursuant to Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, as amended, the NRC and the Board of Directors of the Bank is required to devise a policy on diversity of Board of Directors. The Bank has formulated this Policy in compliance with the SEBI Listing Regulations and the same is available on the website of the Bank at <https://www.suryodaybank.com/assets/pdf/policies/suryoday-policy-to-promote-diversity-of-board-of-directors-fy-25-26-1.0.pdf>.

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

U. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of Section 178(2) read with Schedule IV of the 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 2024-25.

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.

V. 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 2024-25 for the Independent Directors to enable them to familiarise with the Bank, its Management, Bank's Business, and its operations for better understanding of their roles & responsibilities and rights for effective contribution in sustainable growth of the Bank. The Bank has also facilitated various Training programs from the eminent institutions for the Independent Directors of the Bank.

The details of the familiarisation programme(s) for the Independent Directors of the Bank have been provided separately in the Report on Corporate Governance forms part of the Annual Report and can be accessible on website of the Bank at <https://www.suryodaybank.com/assets/pdf/policies/ssfb-familiarization-programmes-independent-directors-till-april-2025.pdf>

W. EMPLOYEES STOCK OPTION SCHEME AND OPTIONS GRANTED DURING FY 2024-25

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 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 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. 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 NRC 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 for approval of its members, which was subsequently approved by the Members at their 16th AGM of the Bank held on September 12, 2024. 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.

The Bank is currently granting Options only from the ESOP Scheme 2019.

The applicable disclosure with regard to Employee Stock Option granted during FY 2024-25 is provided in **Annexure 2** to this report.

X. 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.

Y. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

During FY 2024-25, the Bank did not engage in any material significant transactions with related parties that could potentially create conflicts of interest between the Bank and these parties. The related party transactions, if any, during the year were carried out at arm's length basis and in the ordinary course of business operations.

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, 2025.

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-25-26-1.0.pdf>.

Z. 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

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

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

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

No material changes and commitments have occurred after the closure of FY 2024-25 till the date of this report, affecting the financial position of the Bank.

AC. MANAGEMENT DISCUSSION & ANALYSIS

The Report on Management Discussion & Analysis for FY 2024-25, as stipulated in SEBI Listing Regulations forms part of the Annual Report.

AD. CORPORATE GOVERNANCE

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

The Report on Corporate Governance along with the Certificate issued by 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.

AE. 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 & ESG Committee ("CSR & ESG 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 & ESG Committee.

During the year under review, the Bank undertook a major part of its CSR initiatives through an implementing agencies viz. Suryoday Foundation, Rotary Club of Madras, Delhi House Society & Kanavu Trust. 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 2024-25 including those of ongoing projects are mentioned in the prescribed format and attached as **Annexure 3** to this Report.

AF. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, the top 1000 listed companies based on their market capitalisation as on March 31, every fiscal year, are mandatorily required to submit a Business Responsibility and Sustainability Report ("BRSR") on the environmental, social and governance disclosures as part of their Annual Report. The said Report describing the initiatives undertaken by the Bank from environmental, social and governance perspective has been uploaded on the website of the Bank and the same can be accessed at <https://www.suryodaybank.com/assets/pdf/ssfb-brsr-fy-2024-25.pdf>.

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.

AG. STATUTORY AUDITORS AND THEIR REPORT

M/s. Walker Chandiok & 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, was retired upon the conclusion of the 16th AGM of the Bank held on September 12, 2024.

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, basis the recommendation of Audit Committee and Board of Directors of the Bank, Shareholders of the Bank at 16th AGM held on September 12, 2024 have accorded their approval for the appointment of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W), as Statutory Auditors of the Bank to hold office for a period of Three (3) years from the conclusion of the Sixteenth (16th) AGM until the conclusion of the Nineteenth (19th) AGM of the Bank 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.

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 08, 2025, have reviewed the performance of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W), as a 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.

Further, as per para 3.1 of the said RBI Circular, the Bank is required to take prior approval of the RBI for their continuation on an annual basis. Accordingly, the Bank will seek approval from the RBI for continuation of M/s. Mukund M Chitale & Co. Chartered Accountants (Firm Registration Number 106655W), as a Statutory Auditors of the Bank for their second year i.e. FY 2025-26.

Furthermore, as per para 4.1 of the said RBI Circular, the Bank is required to have minimum of two audit firms for conducting Statutory Audit, therefore, the Bank is required to appoint one more audit firm of Chartered Accountants as Joint Statutory Auditor. Accordingly, the Bank is taking necessary steps in this regard and will seek necessary approvals, including approval of the RBI for appointment of Joint Statutory Auditors.

The Report, provided by the Statutory Auditors, M/s. Mukund M Chitale & Co., Chartered Accountants (Firm Registration Number 106655W), on the financial statements of the Bank for FY ended March 31, 2025, 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.

AH. 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 2024-25. The Secretarial Audit Report for FY 2024-25 is annexed to this Report as **Annexure 4**. The report is

self-explanatory and does not contain any qualification, reservation or adverse remark.

Pursuant to Section 204 of the Act read with Regulation 24A of SEBI Listing Regulations and basis the recommendation of Audit Committee of the Board, the Board of Directors at their meeting held on May 08, 2025, have approved and recommended the appointment of M/s. Tushar Shridharani & Associates LLP, Practising Company Secretaries, LLPIN - ACL-9350 | Unique Code: L2025MH018100) (Peer Review Certificate no. 6670/2025 dated April 28, 2025) as Secretarial Auditors of the Bank for a period of Five (5) consecutive years commencing from financial year 2025-26 till financial year 2029-30; subject to the approval of Shareholders of the Bank at the ensuing AGM.

AI. 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.

AJ. 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.

AK. 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 2024-25 are as follows:

Number of complaints pending at the beginning of the year:	0
Number of complaints received during the year:	1
Number of complaints disposed of during the year:	1
Number of complaints pending at the end of the of the year:	0

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

Further, the Annual Report under Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013, of the Internal Complaints Committee, for the Calendar year ended December 31, 2024 had been filed with the District Collector, Thane within the prescribed timeline.

AL. 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, 2025, in terms of the requirements prescribed in RBI circular.

AM. 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-fy24-25_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.

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

• CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS & OUTGO:

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

There was foreign exchange outgo of ₹0.17 Crores for the FY'25. Further, there were no earnings in foreign exchange.

• TECHNOLOGY ABSORPTION

The Bank remains committed to technology-driven business initiatives to simplify and enhance the banking experience for customers. Throughout Financial Year 2025, several efforts were made to further bolster the Bank's technological capabilities through continuous innovation and adoption. The Bank has automated various processes to improve turnaround time and reduce manual dependencies. Regulatory-focused processes were automated to ensure timely, consistent execution and adherence to guidelines.

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



AO. 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, 2025 forming part of the Annual Report for FY 2024-25.

AP. 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.

AQ. 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.

AR. 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.

AS. AWARDS AND RECOGNITIONS:

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

- a) **Best Digital First Bank of the Year:** The Bank has been recognized at Bharat Fintech Summit 2025 for demonstrating excellence in financial services.
- b) **Infosys Finacle Innovation Awards 2025:** The Bank has been recognized as Ecosystem-Led Innovation-Platinum Winner for driving digital transformation to modernise new-age-banking.

- c) **State Bank of India (SBI) Awards (Sambalpur District, Odisha):** The Bank has been recognised as 'Top Performing Small Finance Bank' under the Annual Credit Plan for the FY 2024-25.
- d) **Ambition Box Employee Choice Awards 2025:** The Bank has been recognized for creating a workplace that prioritizes employees and fosters success.
- e) **Atal Pension Yojana Felicitation Programme 2025:** The Bank has been recognised as Persistency Warrior for FY 2024-25.
- f) **Chief Information Officer of the Year - Banking:** Mr. Vishal Singh, the Chief Information Officer & Head- Digital Banking has been recognised for his contribution for technological prowess & strategic vision at Bharat Fintech Summit 2025.

AT. PARTICULARS OF EMPLOYEES

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as on March 31, 2025 and of the profit of the Bank for the year ended on that date;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d) the annual accounts are prepared on a going-concern basis;
- e) the requisite internal financial controls followed by the Bank are adequate and were operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors of your Bank would like to place on record their sincere gratitude for the guidance and co-operation received from the RBI, SEBI, Stock Exchanges, MCA, Depositories and other statutory and regulatory authorities and thank all the stakeholders of the Bank including the investors, customers, bankers, shareholders, debenture holders, vendors, 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 Chairman &
Independent Director
DIN: 02611496
Date: May 08, 2025

Baskar Babu Ramachandran
Managing Director & CEO
DIN: 02303132



Annexure - 1

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

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

Subject: Certificate in pursuance of Regulation 34(3) read with clause (10)(i) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended on March 31, 2025.

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.

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

- 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 companies for the financial year ending on March 31, 2025, by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sd/-
(Tushar Shridharani)
Practicing Company Secretary
FCS 2690 / COP 2190
Peer Review Certificate No.: 1509/2021
UDIN – F002690G000298568
Date : May 08, 2025

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

Statement relating to the Employees Stock Options Scheme

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

Employees Stock Options as on March 31, 2025:

ESOP Scheme	Opening balance of options (1.4.2024)	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	94,364	-	-	52,853	11,200	14.14	30,311	30,311	-
ESOP Scheme 2019	27,23,145	8,17,740	5,37,578	6,11,417	72,926	87.08	28,56,542	10,85,338	17,71,204
Total	28,17,509	8,17,740	5,37,578	6,64,270	84,126	101.22	28,86,853	11,15,649	17,71,204

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

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	30,466
Krishna Kant Chaturvedi	Company Secretary	7,689
Hemant Shah	Executive Director	2,00,000

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
Sudhakar Mogera	Business Head - FIG, SCF & Partnership Business	45,329
Sasidhar Vavilala	EVP - Business Intelligence & Analytics	91,321
Vishal Singh	Chief Information Officer and Head – Digital Banking	1,75,000

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 2024-25

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

1. Brief outline on CSR Policy of the Company:

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	Mrs. Swati Datye, Chairperson	Independent Director	3	3
2	Mr. Mrutunjay Sahoo, Member [upto September 21, 2024]	Independent Director	2	2
3	Mr. Jyotin Mehta, Member [w.e.f. May 6, 2024 and upto February 12, 2025]	Independent Director	3	3
4	Mr. Deepak Kumar Sharma, Member [w.e.f. May 6, 2024]	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.

CSR Committee :- <https://www.suryodaybank.com/assets/pdf/Board%20Committees.pdf>

CSR Policy :- <https://www.suryodaybank.com/assets/pdf/policies/suryoday-csr-policy-fy25-26-1.0.pdf>

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

5. (a) Average net profit of the company as per sub-section (5) of section 135. **₹ 87,12,21,094**
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135. **₹ 1,74,24,422**
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. **NIL**
- (d) Amount required to be set-off for the financial year, if any. **₹ 1,25,00,000**
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. **₹ 49,24,422**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **₹ 1,99,83,953**
- (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)]. **₹ 1,99,83,953**
- (e) CSR amount spent or unspent for the Financial Year: **₹ 1,99,83,953**

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.
1,99,83,953	NIL	NOT APPLICABLE			

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

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135 ₹1,74,24,422	49,24,422
	Less: amount set off from previous financial year ₹1,25,00,000	
(ii)	Total amount spent for the Financial Year	1,99,83,953
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1,50,59,531
(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)]	1,50,59,531

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

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under 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
					Amount (in ₹)	Date of Transfer	
1	FY-1(FY24)	NIL	NIL	NIL			
2	FY-2(FY23)	NIL	NIL	7,00,000			
3	FY-3 (FY22)	79,00,000	79,00,000	72,00,000			7,00,000

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

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

Sl. No.	[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
	[including complete address and location of the property]				
(1)	(2)	(3)	(4)	(5)	(6)
					CSR Registration Number, if applicable
					Name
					Registered address

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

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

Sd/-

Baskar Babu Ramachandran
(DIN: 02303132)
(Managing Director & CEO)

Sd/-

Swati Datye
(DIN: 06751552)
(Chairperson of CSR Committee)



Annexure - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

(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, 2025 (**"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 March 31, 2025 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 provisions of the following:

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

For the Audit Period, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above 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 period under review were carried out in compliance with the provisions of the Act and Rules made there under, the Banking Regulation Act 1949, the Guidelines for Licensing of Small Finance Banks in the Private Sector and the SEBI Listing Regulations.

Adequate notice is given to all the Directors to schedule the Meetings of the Board and Board Committees, agenda and

detailed notes on agenda were generally sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Place: Mumbai
Date: May 08, 2025

UDIN - F002690G000298471

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



Annexure A

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

This letter is an integral part of the Secretarial Audit Report of even date for F.Y. 2024-25 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 08, 2025

(Tushar Shridharani)
Practicing Company Secretary
FCS 2690 / COP 2190
Peer review certificate number– 1509/2021
UDIN - F002690G000298471

Annexure - 5

Information required under Section 197 of the Companies Act, 2013 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 2024-25	<table><tr><th>Director</th><th>Remuneration (In ₹)</th><th>Ratio</th></tr><tr><td>Mr. Krishna Prasad Nair, Part-time Chairperson and Independent Director</td><td>30,90,000</td><td>125.83</td></tr><tr><td>Mr. Jyotin Mehta, Independent Director (Upto February 12, 2025)</td><td>24,50,000</td><td>74.52</td></tr><tr><td>Mr. Mrutunjay Sahoo, Independent Director (Upto September 21, 2024)</td><td>15,50,000</td><td>89.18</td></tr><tr><td>Mr. John Arunkumar Diaz, Independent Director</td><td>33,00,000</td><td>93.66</td></tr><tr><td>Mr. Deepak Kumar Sharma, Independent Director (w.e.f. April 11, 2024)</td><td>26,60,000</td><td>108.32</td></tr><tr><td>Mrs. Swati Datye, Independent Director</td><td>20,30,000</td><td>8.96</td></tr><tr><td>Mr. Vivek Karve, Independent Director (w.e.f. January 21, 2025)</td><td>4,90,000</td><td>19.95</td></tr><tr><td>Mr. Ranjit Shah*, Investor Director</td><td>Nil</td><td>0.00</td></tr><tr><td>Mr. Hemant Shah, Executive Director (w.e.f. April 1, 2024)</td><td>1,60,00,000</td><td>54.30</td></tr><tr><td>Mr. Baskar Babu Ramachandran Managing Director & CEO</td><td>1,94,00,000</td><td>65.80</td></tr></table>	Director	Remuneration (In ₹)	Ratio	Mr. Krishna Prasad Nair, Part-time Chairperson and Independent Director	30,90,000	125.83	Mr. Jyotin Mehta, Independent Director (Upto February 12, 2025)	24,50,000	74.52	Mr. Mrutunjay Sahoo, Independent Director (Upto September 21, 2024)	15,50,000	89.18	Mr. John Arunkumar Diaz, Independent Director	33,00,000	93.66	Mr. Deepak Kumar Sharma, Independent Director (w.e.f. April 11, 2024)	26,60,000	108.32	Mrs. Swati Datye, Independent Director	20,30,000	8.96	Mr. Vivek Karve, Independent Director (w.e.f. January 21, 2025)	4,90,000	19.95	Mr. Ranjit Shah*, Investor Director	Nil	0.00	Mr. Hemant Shah, Executive Director (w.e.f. April 1, 2024)	1,60,00,000	54.30	Mr. Baskar Babu Ramachandran Managing Director & CEO	1,94,00,000	65.80		
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Mr. Baskar Babu Ramachandran Managing Director & CEO	1,94,00,000	65.80																																			
2	The percentage increase in remuneration of each director, MD & CEO, ED, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in FY 2024-25	<table><tr><th>KMP</th><th>% increase</th></tr><tr><td>MD&CEO</td><td>10.23</td></tr><tr><td>ED</td><td>0.00</td></tr><tr><td>CFO</td><td>14.21</td></tr><tr><td>CS</td><td>10.44</td></tr></table>	KMP	% increase	MD&CEO	10.23	ED	0.00	CFO	14.21	CS	10.44																									
KMP	% increase																																				
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ED	0.00																																				
CFO	14.21																																				
CS	10.44																																				
3	The percentage increase in the median remuneration of employees in the FY 2024-25	3.30%																																			



Sr No.	Particulars	Disclosures
4	The number of permanent employees on the rolls of Bank as at 31 st March, 2025	8,649
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: 20.20% Avg. Percentile Increase in salaries of managerial personnel: 10.23%
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.1 in MD & CEO and ED Remuneration includes Fixed and Retirals (PF & Gratuity).
- *Point No.1 in For Directors, sitting fees paid for FY 25 have been considered.
- *Point No.2 in MD & CEO Remuneration includes Fixed and Retirals (PF & Gratuity).
- *Point No.2 in ED has joined on 1st Apr'2025.
- *Point No.5 in Managerial Personnel includes Fixed remuneration of MD & CEO only

Management Discussion and Analysis

Economic Overview

Global Economy¹

The world economy in CY24 showcased impressive strength and adaptability, even in the face of various disruptions and turbulences by growing at 3.3%. The economy of US sustained its steady growth on the back of robust consumption and strong performance of the corporates. Conversely the eurozone witnessed muted growth as large economies like Germany witnessed decline in consumption. Growth was below expectation in the economy of China as it grappled low internal demand and problems in its property sector. However, softened levels of inflation and adoption of accommodative monetary policies by Central Banks around the world bolstered overall economic activity. The Emerging Markets and Developing Economies (EMDEs) performed better than the advanced economies.

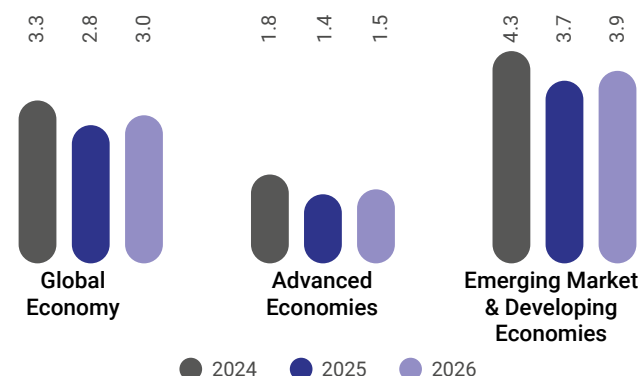
Global inflation continued to ease from 6.6% in CY23 to 5.7% in CY24.² With easing inflation and slow growth, central banks are expected to cautiously reduce interest rates in phases throughout CY25, based on incoming economic data. This shift could help revive investment sentiment and improve capital flows, especially in developing economies that have faced elevated funding cost.

Outlook

The outlook for global economy is expected to remain modest amid persistent challenges and declining inflation. GDP Growth is projected at 2.8% in CY25. This reflects the ongoing uncertainty surrounding world trade policies, especially around the new tariff rates implemented by the US government, global geopolitical challenges and financial market obstacles.

Inflation is anticipated to keep declining, albeit at a slower pace than before and is expected to reach 4.3% in CY25. Declining inflation is expected to drive Central Banks to cut interest rates further. The outlook of the Emerging Market and Developing Economies (EMDEs) is positive and are expected to grow at 3.7% CY25 and 3.9% in CY26. Advanced economies are envisioned to project a growth of 1.4% in CY25 and 1.5% in CY26. Further, oil prices are expected to soften to an average of \$66.9 per barrel in CY25, while food prices are projected to stabilise, creating a cautiously optimistic environment for investment and trade.

GDP Growth Projections



Source: IMF³

Indian Economy⁴

India's economy sustained its stable growth momentum during FY 2024-25. This growth was achieved amid cross-border headwinds, such as ascending trade tensions and market volatility. Real GDP growth for FY 2024-25 has been at 6.5%, matching closely with the country's decadal average. The growth was facilitated by a robust performance across services, manufacturing and the agricultural sectors. The economy witnessed growth in rural consumption and showcased strong momentum.

The Reserve Bank of India changed its stance to accommodative and reduced the repo rate by 100 basis points through three consecutive rate cuts^{5,6} - in the latter half of the year - to boost consumption. In addition, the RBI also implemented a CRR reduction to 3.0%, which was expected to allow banks access to about ₹2.5 lakh crore for lending and other purposes by the end of 2025.⁷ These measures injected additional liquidity into the financial system, eased borrowing costs and are expected to support credit availability and economic growth. The banking system improved the asset quality, with Gross Non-Performing Assets (GNPA's) of scheduled commercial banks falling to 2.6%, a record low in more than a decade.⁸

India's foreign exchange reserves were \$676.3 billion, providing almost 11 months of import cover and thus ensuring macroeconomic stability. During the year under review, private sector investment growth remained muted, largely due to the prevailing domestic political environment, global uncertainties, and existing over capacities.

¹<https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>

²<https://www.imf.org/external/datamapper/PCPIPCH@WEO/OEMDC/ADVEC/WEOWORLD>

³<https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>

⁴<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/OBULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

⁵https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60176

⁶https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60604

⁷https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60605

⁸<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2120509>

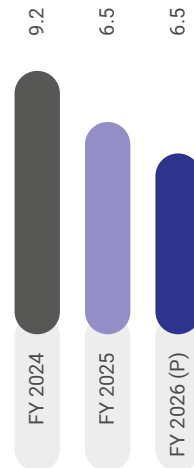


India's Headline inflation on a decline



Source: PIB press release

India's GDP Growth (%)



*P: Projected

Source: PIB press release

Outlook

The economy of India is expected to maintain its growth trajectory propelled by increased consumer demand, better investment activity and regulatory assistance. The implementation of the tax relief for salaried individuals by the government is expected to augment spending in urban areas. With favourable monsoon and stable commodity prices, headline inflation is expected to fall further to 4% in FY 2026,¹¹ which will strengthen the economic growth momentum by enhancing purchasing power.

Household consumption is anticipated to increase on the demand side, while fixed investment prospects are still favourable. The private Capital Expenditure (CapEx) cycle is witnessing improvement. Healthy corporate and bank balance sheets are expected to enhance business sentiment. In addition to the ₹1.5 trillion liquidity boost, the RBI's prudent monetary policies, including as Cash Reserve Ratios (CRR) reductions, Open Market Operations (OMOs) and Variable Rate Repo (VRR) auctions, are anticipated to alleviate the banking system's tight liquidity conditions.¹²

Amidst the volatile global economic landscape, including geopolitical tensions, India's strong macroeconomic fundamentals, stable banking system and high reform momentum should support economic resilience in FY 2025-26 and beyond.

Banking Industry

Indian Banking Industry¹³

The industry continued demonstrating strength supported by high capital buffers, improving asset quality, and healthy profitability metrics. While bank credit growth eased to 11.0% by late February 2025, lending remained robust across personal loans, MSMEs and the services sector. However, modest deposit growth at 10.6% and attempts by banks to rebalance their credit-deposit ratios led to some tightening in liquidity.¹⁴

The Reserve Bank of India (RBI) responded with targeted liquidity injections amounting to ₹7.9 lakh crore through Open Market Operations (OMO) purchases, Variable Rate Repo (VRR) auctions and forex swaps.

Although bank deposit growth was slower during the reporting year compared to the previous year, the overall deposit base remained healthy, with term deposits accounting for the largest share. The sector's asset quality continued to improve, with the Gross Non-Performing Assets (GNPA) ratio declining to a 12-year low of 2.42% as of December 2024. The Provision Coverage Ratio (PCR) also strengthened during the same period, enhancing the ability of banks to absorb potential shocks.

Steady Financial Strength¹⁵

In a year marked by transformative changes, the Indian banking sector continued to build on its financial resilience, demonstrating strong fundamentals amidst a dynamic macro-financial environment. The Capital to Risk-Weighted Assets Ratio (CRAR) of Scheduled Commercial Banks (SCBs) remained robust at 16.43% as of December 2024, underscoring banks' strong capital buffers and their capacity to sustain future credit growth.

⁹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097919>

¹⁰<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL210520259384088A6E4D431192628B2A15EDF52D.PDF>

¹¹<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL210520259384088A6E4D431192628B2A15EDF52D.PDF>

¹³<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

¹⁴<https://www.icra.in/Rating/DownloadResearchSummaryReport?id=6225>

¹⁵<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

Profitability remained healthy, aided by stable operating performance. The Return on Assets (RoA) stood at 1.37%, while the Return on Equity (RoE) rose to 14.14%, supported by expanding loan volumes, moderate credit costs, and operational efficiencies. Despite tightening liquidity and elevated deposit costs, the sector maintained Net Interest Margins (NIMs) at 3.49%, reflecting prudent interest rate management and favourable asset-liability mix.

Overall, the steady improvement in capital strength and profitability indicators reaffirms the Indian banking sector's preparedness to navigate a phase of moderated, yet stable, economic growth while continuing to deliver consistent financial performance.

Key Measures taken by the RBI

In FY 2024-25, the RBI maintained its focus on ensuring financial stability and support for sustainable growth. Several important measures were taken to achieve the same:

Monetary Policy Adjustments: The Monetary Policy Committee (MPC) decided to cut the policy repo rate by 100 basis points to 5.50% in the latter half of the year, in response to easing inflation and global uncertainties. This step was aimed at boosting domestic growth momentum and improving credit availability.

Liquidity Management: The RBI managed liquidity actively through OMO purchases, Variable Rate Repo (VRR) auctions, and forex swaps, infusing approximately ₹76.9 lakh crore into the system during the year to address currency circulation pressures and maintain monetary stability¹⁶.

Stressing Financial Market Stability: The RBI focused on maintaining stable financial markets to support growth in India. It closely monitored various market segments, such as FX, G-sec and money markets, to ensure smooth functioning.

Promotion of Digital Transactions: RBI maintained its focus on encouraging the growth of digital transactions, led by Unified Payments Interface (UPI) and Bharat Bill Payment System (BBPS). These systems have played a crucial role in augmenting financial inclusion.

Regulatory Measures¹⁷

The RBI postponed the implementation of planned adjustments in the Liquidity Coverage Ratio (LCR) framework. In addition, the RBI reversed the hike in risk weights on NBFCs and unsecured retail.

The RBI has also revised its stance to 'accommodative' and reduced the repo rate to 5.50%,¹⁸ signalling a pivot towards supporting growth amid moderated inflation. The inflation trajectory has turned favourable, with CPI projected at 4.0% for

the year, and food prices stabilising due to improved rabi output. Real GDP growth is also expected to remain healthy at 6.5%¹⁹.

Performance of SFBs and MFIs

Small Finance Banks (SFBs) and Microfinance Institutions (MFIs) play a critical role in India's financial ecosystem by extending last-mile credit to low-income households, micro-entrepreneurs and self-employed individuals. They are key enablers of financial inclusion and support economic activity in underserved regions.

During FY2024-25, the segment faced notable stress. Delinquencies in the 90+ days past due (dpd) bucket increased to 6.0% by March 2025, up from 2.4% a year earlier. This was largely driven by lending to over-leveraged borrowers and repayment disruptions in Karnataka, where a state ordinance led to confusion among borrowers (Goldman Sachs Note, Feb 2025).

In response, there was an enhanced credit cost across the overall MFI sector, occasioned by provisions in respect of Non-Performing Assets [NPAs]. The credit cost rose to 6.5–7% in FY2024-25, marking a seven-year high. This also reflected the sector's conscious effort to front-load stress recognition. Though these measures impacted short-term profitability, but they should significantly strengthen balance sheet resilience and positioned institutions to enter the new fiscal year on a cleaner, more stable footing.

Notably, by the end of the fiscal, collection efficiency from non-overdue accounts had stabilised at 98–99%, supported by tighter credit norms and the implementation of Guardrail 2.0 Introduced by SRO MFIN, which aims to curb over-lending and standardise borrower assessment.

Guardrail frameworks introduced by self-regulatory organisations helped to enforce responsible lending. RBI mandated Guardrail 2.0 to be implemented by April, 2025. RBI's monetary easing measures such as the 25 bps rate cut in April 2025 further supported credit transmission to vulnerable sectors²⁰.

SFBs, many of which have significant microfinance exposure, experienced pressure on disbursements and profitability. According to market data, SFB disbursements fell 10.8% year-on-year in Q3 FY25²¹. Nevertheless, capitalisation remained adequate, with the CRAR for NBFCs (including SFBs) at 26.22% and Tier I capital at 24.13% as of December 2024, indicating overall systemic resilience despite isolated stress pockets²².

With regulatory reforms in co-lending, market-based resolution of stressed assets, and digital innovation in credit delivery, the banking sector, along with MFIs and SFBs, is well-positioned to consolidate recovery and extend inclusive credit to underserved segments in the coming year.

¹⁶<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

¹⁷<https://www.icra.in/Research/ViewResearchReport/6225>

¹⁸https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60604

¹⁹<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

²⁰<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

²¹<https://www.criifhighmark.com/news-events/news/2025/april/sfbs-take-biggest-hit-as-mfis-face-stress-loan-disbursements-down-4-yoy#>

²²<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

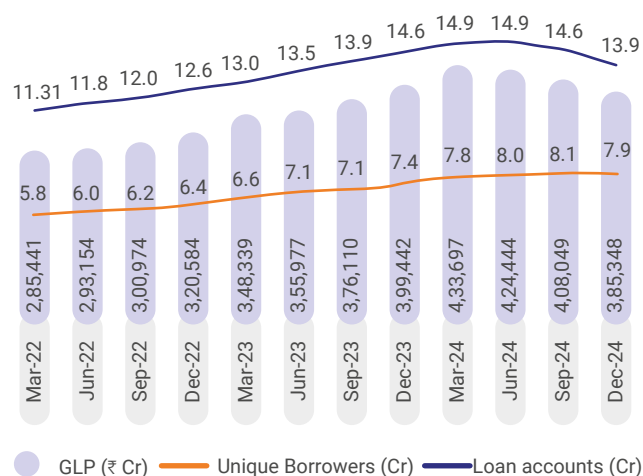
Inclusive Finance

Financial inclusion is a key component that drives overall economic prosperity of overall population in a true sense and not only limited to credit. It ensures that individuals and businesses may easily obtain financial services to meet their needs. Microfinance, or inclusive finance, has evolved into a vital component of India's formal financial system. This evolution highlights sustained growth and deeper institutional integration in recent years. With micro-credit moving into the financial mainstream, the sector is now supported by a wide array of financial institutions, including NBFC-MFIs, Small Finance Banks (SFBs), universal banks, NBFCs and Business Correspondents (BCs). Several large NBFC-MFIs have transitioned into SFBs or have been acquired by larger financial players, further expanding their capital access and operational scale. Concurrently, traditional banks and NBFCs have expanded their micro-lending portfolios through co-lending and BC partnership models. In addition to this, Development Finance Institution (DFIs) such as Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD) as well as the Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) played a critical role in making financial services accessible to the MSMEs, unreached poor in rural areas and small enterprise sector.

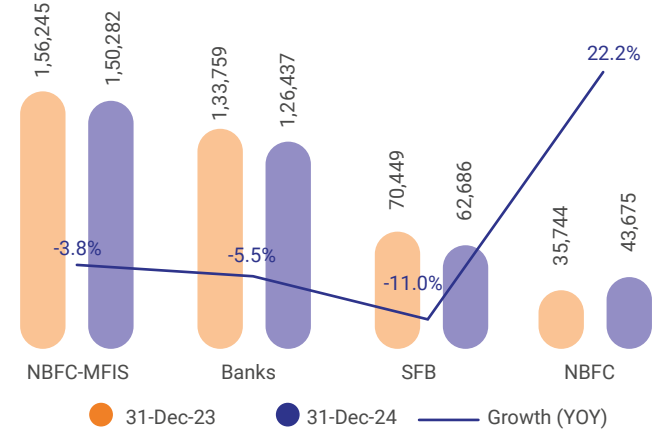
This has considerably improved credit outreach to underserved and rural segments. This institutional diversification has enhanced competition, operational efficiency and borrower coverage, positioning inclusive finance as a structurally important driver of credit inclusion in India.

In FY2024-25, outstanding gross loan portfolio (GLP) was about ₹3.85 Lakhs Crores as of Dec 2024. The sector now encompasses an estimated 7.9 Crores unique borrowers with 13.9 Crores live loan accounts. These figures reflect the strong outreach of the sector.

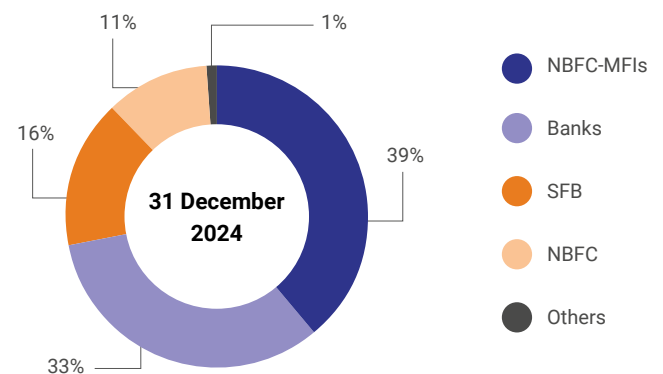
Industry Trends



Portfolio Outstanding of the Microfinance Industry (₹ In Crores)

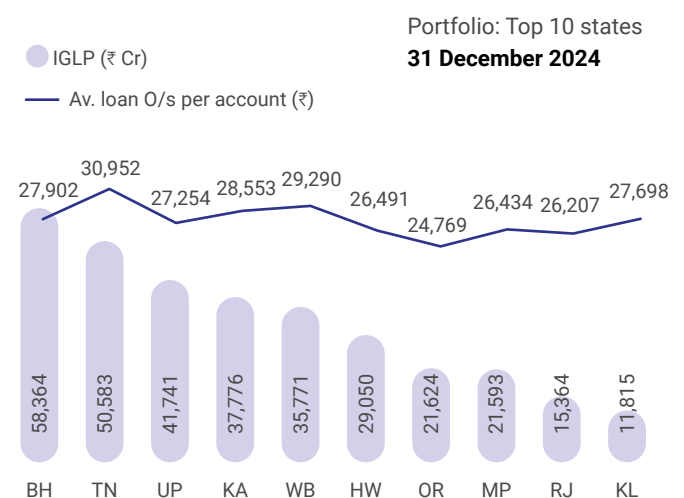


Micro-Credit Loan Outstanding across Lenders



Currently, a broad spectrum of players operate in the micro-credit space. This includes Banks, NBFC-MFIs, Small Finance Banks (SFBs), NBFCs and Business Correspondents (BCs). NBFC-MFIs remain the largest contributors with 39% of the total GLP, followed by Banks (33%) and SFBs (16%).

State-wise MFI Portfolio



The regional distribution remained uneven. The East and North-East regions contributed a combined 32% of the total portfolio, while the South contributed 31%. Bihar remained at the top among states, with Tamil Nadu and Uttar Pradesh ranking second and third based on portfolio size²³

Key Growth Drivers and Developments FY 2024-2025

The sector growth was muted due to overall Market challenges, for microfinance institutions, where the sector saw a high GNPA in overall loan portfolio.²⁴ The Financial Inclusion Index improved over the year, signalling deeper penetration and improved accessibility to credit. Digitisation, advanced analytics and alternative credit assessment tools are expected to unlock further growth, especially in underserved and rural markets.²⁵

Digital Lending Infrastructure: Platforms like the RBI's Public Tech Platform for Frictionless Credit (PTPFC) have enabled faster, data-driven lending and reduced turnaround times for small-ticket loans.

Rise of Tier 2 and Tier 3 Markets: Expedited growth in semi-urban and rural regions has been fuelled by digital KYC, UPI integration and granular data analytics supporting credit decisions.

The rollout of Guardrail 2.0, which is applicable from 1st April 2025²⁶, has standardised borrower assessment norms across lenders and curbed over-leveraging, fostering greater risk discipline in the unsecured lending space and enabling more sustainable credit growth.

Co-lending Ecosystem: Large banks and NBFCs are broadening access to financial services through partnerships and BC models, leading to greater capital access for borrowers.

Financial Literacy and Direct Benefit Transfer(DBT): Improved financial awareness and robust DBT systems under schemes like PMJDY and PM SVANidhi have reinforced repayment culture and account activity.

Role of Rural Financial Institutions (RFIs)

Regional Rural Banks, Small Finance Banks and Co-operative Banks have been instrumental in extending financial services to

the rural and underserved regions. Heightened shares of RFIs in inclusive lending underlines their growing relevance.

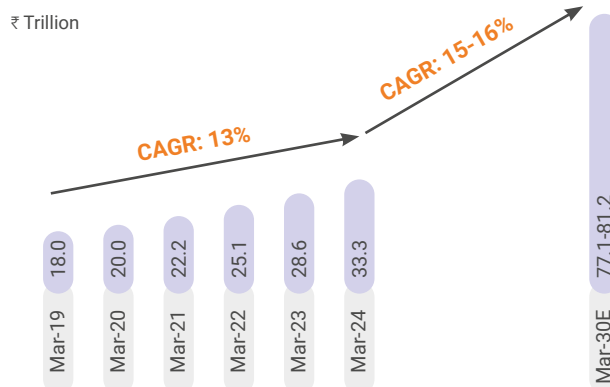
Technology-Led Lending Evolution

Adoption of end-to-end digital lending journeys, AI-based credit scoring and embedded finance has made small-ticket loans more scalable. These innovations are aligned with frameworks, such as, Open Credit Enablement Network (OCEN) and Unified Ledger Infrastructure (ULI) that ensure real-time risk profiling and interoperability.

Housing Loan

During FY2024-25, the Indian housing loan segment maintained healthy and consistent growth. This growth was spurred by facilitatory government policies, enhanced affordability and accelerated urbanisation. The individual housing loan portfolio outstanding was estimated to be around ₹33.3 Lakhs Crores, with a strong 13% year-on-year growth. Housing loans now account for almost 14% of total systemic credit. This indicates the growing importance of the sector.²⁷

Outstanding Housing Loan (HL) Market size



The housing finance market is estimated to experience over a twofold growth by FY 2029-30. Positive structural factors, such as, increasing disposable incomes, rising prominence of nuclear families and the government's flagship schemes like PMAY-Urban and PMAY-Gramin are expected to be the key drivers of this growth.²⁸

²³<https://mfinindia.org/Resources/micrometer>

²⁴<https://economictimes.indiatimes.com/industry/banking/finance/banking/credit-costs-for-banks-nbfc-mfis-expected-to-significantly-rise/articleshow/116292795.cms?from=mdr>

²⁵https://www.pdicai.org/Docs/RBI-2025-26-16_242025171053372.pdf

²⁶<https://www.crisilratings.com/en/home/newsroom/press-releases/2025/04/imcrofinance-credit-costs-to-decline-from-7-year-high-last-fiscal.html>

²⁷https://www.careratings.com/uploads/newsfiles/1743423679_Housing%20Finance%20-%20CareEdge%20Report.pdf

²⁸<https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/FSR30122024F992B788790C44DCFBA4E8C9F98D912D9.PDF>



Key Growth Drivers



Urbanisation and Nuclear Household Formation

The steady rise of nuclear families, coupled with heightened migration to Tier 2 and Tier 3 cities, has resulted in higher demand for residential units. This has augmented the demand for both mid-income and affordable housing loans, particularly in urban peripheries and smaller cities.



Low Mortgage Penetration Relative to GDP

India's mortgage-to-GDP ratio remains low (11%) compared to global peers, indicating vast headroom for future credit growth in the housing segment.



Improved Mortgage Affordability and Stable Lending Rates

During FY 2024-25, a series of rate cuts by the Reserve Bank of India led to a decline in lending rates for housing loans, significantly enhancing mortgage affordability across income segments. This downward trend in rates, combined with competitive offerings from banks and NBFCs, strengthened the overall appeal of housing finance and continued to drive demand in both urban and semi-urban markets.



Wider Institutional Participation

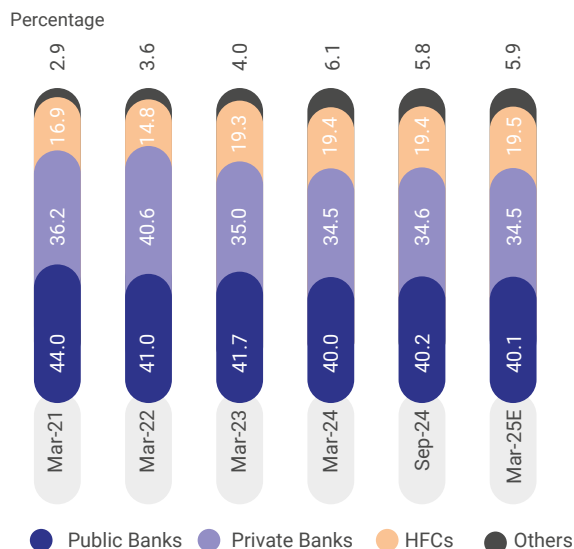
The presence of Small Finance Banks (SFBs) and digitally native lenders in the housing finance sector has improved loan access in underpenetrated markets, offering borrowers lower documentation requirements and faster turnaround times.



Rise of Digital Lending and PTPFC

The Public Tech Platform for Frictionless Credit (PTPFC), initiated by the RBI, has streamlined credit assessment using real-time APIs. This has significantly reduced processing timelines and improved borrower profiling, especially in the affordable housing space.²⁹

Player-Wise Housing Loan Market Share



Key Growth Drivers and Developments

PMAY Urban and CLSS Progress³⁰

As of March 2025, approximately 118.6 lakh homes have been sanctioned under Pradhan Mantri Awas Yojana – Urban (PMAY U), with about 92 lakh already completed. Under the Credit-Linked Subsidy Scheme (CLSS), interest subsidies have boosted home loans for economically weaker and lower-income urban households, with millions of beneficiaries receiving support.

Affordable Housing Policy & PMAY 2.0

PMAY U 2.0 Roll-out: By March 2025, around 3.52 lakh homes were sanctioned under PMAY U 2.0 through BLC and AHP schemes, contributing to a cumulative total of nearly 7.1 lakh approvals. The scheme is backed by ₹2.30 lakh crore in central assistance and aims to support ₹10 lakh crore in total housing investment.³¹

²⁹<https://www.businesstoday.in/magazine/columns/story/indias-unlimited-potential-why-the-country-needs-to-focus-on-its-ongoing-reform-agenda-according-to-hdfe-banks-keki-mistry-420497-2024-03-07>

³⁰<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2113557>

³¹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2113557>

Affordable Rental Housing Complexes (ARHC) Scheme:

Extended focus on rental housing for urban poor, migrant workers and early-stage jobholders, particularly in industrial and semi-urban zones³².

Reduced GST & Tax Incentives: Continued benefits such as 1% GST on affordable housing, interest deductions up to ₹1.5 lakh under Section 80EEA, and capital gains exemptions have strengthened private developer participation and homebuyer affordability.³³

Urban Infrastructure Boosting Demand³⁴

Infrastructure initiatives such as Smart Cities Mission, AMRUT 2.0 and urban mass transit systems have improved liveability and property values, indirectly supporting housing loan demand in emerging urban clusters.

Co-lending Model Expansion³⁵

The Co-lending model, through which HFCs and NBFCs collaborate with banks to advance joint loans to homebuyers has gained prominence. It allows NBFCs to extend their reach while providing borrowers with lower interest rates through the bank's cost of funds.

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

The Secured Business Loans (SBL) and Loans Against Property (LAP) segment continued to expand in FY 2024–25. The growth was supported by sustained economic momentum and heightened formalisation of the MSME sector. This growth was primarily driven by rising credit demand from Micro, Small and Medium Enterprises (MSMEs) and the self-employed segment in Tier II and Tier III cities.

The LAP and SBL markets sustained their appeal as MSMEs pursued post-pandemic business expansion and faced working capital needs. Lenders benefited from enhanced underwriting quality, aided by increased use of digitised land records, alternate data and GST cash flow analytics, particularly in collateral-backed lending. Simultaneously, asset quality in the LAP witnessed improvement, supported by rising property valuations and prudent risk selection, especially by SFBs and digitally enabled NBFCs³⁶.

According to CRISIL's 2025 outlook, the secured MSME lending segment is expected to experience steady growth over the next 2-3 years, particularly in the sub-₹1 Crores loan bracket. Lenders leveraging digital sourcing and alternative scorecards for thin-file borrowers will fuel this growth. The market sustains its

competitiveness, with NBFCs and private banks expanding their footprint in semi-urban lending corridors.

The Small Business Loan/Loan Against Property (SBL/LAP) segment is expected to grow at a CAGR 13.50% from 2025-3033 and attain a market size of USD 2,369.36 billion by CY 2033, with key contributing factors being the nation's robust economic growth, the strengthening asset quality of banks and the government's intensified focus on promoting entrepreneurship and the MSME sector.³⁷

Commercial Vehicles Loans

The Commercial Vehicle (CV) finance segment remained a key pillar of India's vehicle lending market in FY2024-25, reflecting its close linkage with macroeconomic trends such as infrastructure development, consumption recovery and formalisation of transport operations. India's vehicle finance AUM is expected to grow at 15–16% CAGR through FY 2026, driven by steady demand across segments. Commercial vehicle (CV) finance, in particular, is set to grow at 11–12% annually, supported by strong replacement demand, increased infrastructure activity, and rising use of higher-tonnage vehicles. LCVs continue to lead volumes, aided by expanding logistics and e-commerce sectors, keeping CV finance a vital contributor to the overall NBFC vehicle lending portfolio.³⁸ In this segment the used CV market of more than 5 years and has huge potential of ₹ 2.1 lakh crore market size.

Key Growth Drivers and Developments FY 2024-2025³⁹

Infrastructure Push Under PM Gati Shakti and Bharatmala

Major infrastructure programmes, such as PM Gati Shakti and Bharatmala Pariyojana have played a vital role in augmenting road logistics and construction activity, thereby, creating a sustained demand for new CVs, especially in the medium and heavy commercial vehicle (M&HCV) category.

Vehicle Scrappage Policy Stimulus

The Vehicle Scrappage Policy, aimed at phasing out old and polluting vehicles, provided incentives to replace ageing fleets. This led to accelerated financing demand, particularly from small and mid-sized logistics firm.

Expansion in Rural and Semi-Urban Transport

Ascending penetration of logistics and last-mile delivery services in rural and semi-urban regions expanded the demand for financing solutions for Light Commercial Vehicles (LCVs) and used CVs. NBFCs played a key role in underwriting these segment.

³²<https://government.economictimes.indiatimes.com/blog/budget-2024-25-focus-on-affordable-rental-housing-could-be-highly-impactful/112317488?utm>

³³<https://www.indiafilings.com/learn/section-80eea-of-income-tax-act/>

³⁴https://smartcities.gov.in/sites/default/files/2023-09/SCM_UN_Report%20.pdf

³⁵<https://www.pwc.in/assets/pdfs/emergence-of-co-lending-business-models-in-india-opportunity-for-fintechs.pdf>

³⁶<https://www.crisilratings.com/en/home/newsroom/press-releases/2025/04/imcrofinance-credit-costs-to-decline-from-7-year-high-last-fiscal.html>

³⁷<https://www.imarcgroup.com/india-loan-against-property-market#:~:text=India%20Loan%20Against%20Property%20Market%20Overview%3A,13.50%25%20during%202025%2D2033.>

³⁸<https://www.crisilratings.com/en/home/newsroom/press-releases/2025/01/nbfc-vehicle-finance-aum-growth-slowing-to-15-16-percent-through-next-fiscal.html>

³⁹<https://www.ey.com/content/dam/ey-unified-site/ey-com/en-in/technical/alerts-hub/documents/2025/ey-union-budget-2025-alert-auto-sector.pdf>

Digitisation in Lending and Credit Assessment

Lenders increasingly adopted real-time analytics, GPS-enabled tracking and cash-flow based underwriting to evaluate CV borrowers, especially those with informal income streams. This enabled the expansion into underbanked markets and improved turnaround time.

Used CV Financing Gains Momentum

According to CRISIL, digital lenders and tech-enabled NBFCs are capturing a growing portion of the market in the used CV loan segment, particularly in the LCV and small truck categories. These platforms use telematics and digital on-boarding to underwrite borrowers with limited credit history.

Asset Quality Improvements Across Lenders⁴⁰

In FY 2024–25, asset quality in the commercial vehicle finance segment remained healthy, with gross non-performing assets (GNPAs) expected to stay near the previous year's levels, reflecting strong collections and prudent underwriting practices. Supported by steady replacement demand, e-commerce-led LCV growth, and infrastructure-driven M&HCV activity, lenders saw improved profitability and sustained lending volumes, while credit cost pressures remained limited thanks to stable delinquency levels and robust cash flows.

Supportive Budget Measures for the Auto Ecosystem

The Union Budget 2025-26 introduced several measures to bolster CV lending. The steps included incentivising EV manufacturing, reclassification of auto dealers under MSME norms and supply chain localisation under PLI and customs duty reform.

Car Loan and EV Financing Outlook⁴¹

Although not CV-specific, trends in used car financing and EV adoption are expected to positively influence the vehicle finance ecosystem. India's vehicle finance AUM is expected to grow at 15–16% CAGR through FY 2026.

MSME Loans

The Micro, Small and Medium Enterprises (MSME) sector, a vital component of India's economy, accounts for approximately 46% of all exports. The sector is essential to industrial development, entrepreneurship and job generation. The sector encompassing an estimated 6 Crores businesses employs over 25 Crores individuals. The MSME Ministry received ₹22,138 Crores in the Union Budget 2025, a substantial increase over prior years.

Initiatives like the Trade Receivables Discounting System (TReDS) expansion and the Udyam Registration Portal have notably augmented the formalisation and liquidity of MSMEs.⁴²

However, the industry continues to face obstacles, such as late payments, rising input costs and restricted access to formal finance. The government has implemented changes to solve these problems, such as mandating the utilisation of Samadhaan portal for large-scale businesses to make payments on time and implementing digital credit evaluation models through public sector banks.⁴³

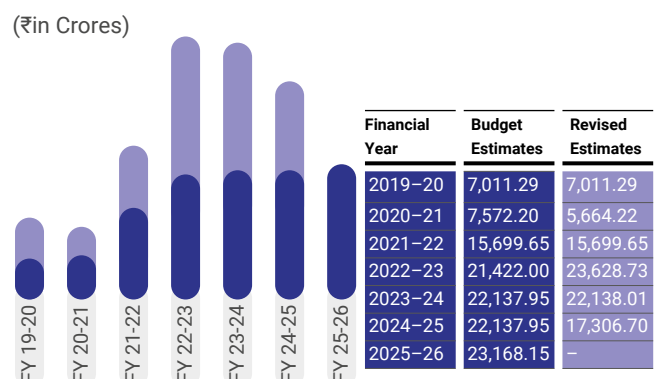
Key Growth Drivers and Developments in FY2024–25

- **Credit Growth:** The total MSME credit portfolio reached ₹35.2 lakh crore as of March 31, 2025, up from ₹31 lakh crore in the previous year, a 13% YoY growth, driven by increased formalisation and better access to credit.⁴⁴
- **NBFC Lending Surge:** NBFCs increased their share in MSME lending from 5.9% in FY21 to 9.1% in H1 FY25, growing at a 32% CAGR between FY21 and FY24, outpacing banks.⁴⁵
- **Digital Credit Platforms:** The RBI and GoI launched the Unified Lending Interface (ULI) in August 2024 to fast-track MSME lending via consent-based digital data sharing, boosting inclusion for rural and small borrowers.⁴⁶

Government Schemes & Support

- **Enhanced Credit Guarantee:** The CGTMSE cover was raised from ₹5 crore to ₹10 crore, unlocking ₹1.5 lakh crore in new credit access over 5 years; specific enhancements were made for exporters and startups.⁴⁷
- **Support for Marginalised Entrepreneurs:** A new loan scheme offers up to ₹2 crore in term loans over 5 years for first-time women, SC/ST entrepreneurs, enhancing financial inclusion.⁴⁸
- **MSME Credit Card Launch:** GoI announced a Credit Card for micro units registered on Udyam, with credit of up to ₹5 lakh, targeting 10 lakh cards to be issued in the first year.⁴⁹

Budgetary Outlay of the Ministry of MSME⁵⁰



⁴⁰<https://www.crisilratings.com/en/home/newsroom/press-releases/2025/04/after-seven-years-cv-sales-to-drive-close-to-one-million-milestone.html>

⁴¹<https://www.crisilratings.com/en/home/newsroom/press-releases/2025/01/nbfc-vehicle-finance-aum-growth-slowing-to-15-16-percent-through-next-fiscal.html>

⁴²<https://pib.gov.in/FactsheetDetails.aspx?Id=149117®=3&lang=1>

⁴³<https://pib.gov.in/PressReleaseFramePage.aspx?PRID=2099687>

⁴⁴<https://www.financialexpress.com/business/sme-msme-loan-delinquencies-improve-with-moderate-portfolio-growth-3853535/>

⁴⁵<https://bsfi.economictimes.indiatimes.com/news/industry/nbfc-outpace-banks-in-lending-msmes-growth-will-continue-to-persist-careedge/121206782>

⁴⁶<https://www.reuters.com/world/india/india-launch-platform-rural-small-business-lending-cenbank-governor-says-2024-08-26/>

⁴⁷<https://pib.gov.in/FactsheetDetails.aspx?Id=149117®=3&lang=1> | ⁴⁸<https://www.pib.gov.in/PressReleaseFramePage.aspx?PRID=2099687>

⁴⁹<https://pib.gov.in/FactsheetDetails.aspx?Id=149117®=3&lang=1> | ⁵⁰<https://www.pib.gov.in/FactsheetDetails.aspx?Id=149117®=3&lang=1>

Company Overview

Suryoday Small Finance Bank Limited (Suryoday SFB) is a digital focused small finance bank promoting financial inclusion through responsible retail lending. Originating as a microfinance institution in 2008 and becoming a scheduled commercial bank in 2017, Suryoday has steadily diversified across Inclusive Finance, Affordable Housing, LAP, Vehicle Finance, Corporate Lending and emerging MSME segments. Along with this, its asset products include inclusive finance, mortgages and micro mortgages, Commercial Vehicle loans as well as extending loans to financial intermediary groups (FIGs).

710

Banking outlets

As of FY 2024-25, the Bank serves in 15 states and UTs. Inclusive finance continues to be the anchor of its model, contributing ~50% of the loan book, with share of secured lending rising to ~50%. Suryoday's strategy combines physical reach with digital innovation. Digital deposit sourcing now averages ~3 Crores/day and the Bank now operates cost-efficient Smart Banking Outlets (SBOs) opened on pilot basis in various locations. Partnerships and strong underwriting frameworks support its expansion in MSME and supply chain finance.

With a focus on underserved households and technology-led inclusion, Suryoday aims to deliver long-term value while supporting India's vision of growth.

Product Portfolio

Suryoday Small Finance Bank provides a wide range of financial products to address the requirements of micro-entrepreneurs, underserved communities and individuals from the low and mid-income groups. The Bank also offers a diverse range of services, which includes Inclusive Finance, secured retail lending, institutional financing and an expanding array of digital credit and deposit solutions.

Joint Liability Group (JLG) loans and Vikas Loans form the cornerstone of the Bank's outreach to women borrowers and first-generation micro-entrepreneurs. In line with its

3.4

Million customers

commitment to financial empowerment and support graduating MFI customers, the Bank is focused on expanding its Vikas Loan portfolio. It has also introduced the Vikas Loan product for New-To-Bank individual borrowers with a strong credit history and proven repayment track record. Meanwhile, JLG loans continue to serve as a key customer acquisition engine, enabling the Bank to broaden its reach and deepen financial inclusion.

Suryoday also advances loans to regulated financial intermediaries through its Financial Institutions Group (FIG) vertical, which focuses on loans to NBFCs, MFIs and other institutional players.

The Bank has further diversified into MSME lending - both through the direct channel as well as partnerships - and supply chain finance in FY 2024-25. This has notably contributed to the strengthening of its presence in underpenetrated retail and business credit segments. In addition, the Bank has also introduced Secured Rupay Credit Cards as a product offering, further enhancing its retail portfolio and providing customers with greater access to formal credit.

The Bank offers a comprehensive suite of deposit products, including savings and current accounts, Fixed Deposits (FDs) and Recurring Deposits (RDs) and innovative product like Double Joy Deposits (DJD), mobile banking, UPI payments.

The Bank offers the convenience of Digital onboarding, as well as self-serve platforms that enable customers to transact conveniently in a secure manner.

Asset Products

The Bank's asset products are structured to address the credit needs of underserved individuals, micro-entrepreneurs and retail borrowers, with an increasing focus on secured lending. As of FY 2024-25, the portfolio is categorised as follows:

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

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

Particulars	As of 31st March, 2025		As of 31st March, 2024	
	(₹ Cr)	% of Total	(₹ Cr)	% of Total
JLG	2,062	20%	2,389	28%
Vikas	3,027	30%	2,683	31%
Wheels*	1,336	13%	830	9%
HL	725	7%	672	8%
LAP	1,056	10%	681	8%
Micro Mortgage	406	4%	235	3%
FIG	1,147	11%	848	10%
SCF	259	3%	0	0%
Partners	38	0%	130	2%
#Others	194	2%	182	2%
Total	10,251	100%	8,650	100%

* includes CV, TW & Car

includes Digital Partners



Inclusive Finance

The Inclusive Finance segment, which includes the Joint Liability Group (JLG) loans and Vikas Loans (VL) i.e. individual loans, contributed ~50% of total gross advances of the Bank. The segment's gross advances remained at same levels at the end of FY25 at ₹ 5,089 crores as it stood in March 2024.

As of March 31, 2025, the JLG portfolio stood at ₹ 2,062 crores, contributing 40.5% of the overall inclusive finance book. Disbursements in the JLG segment were ₹ 1,603 crores during the year, with a collection efficiency of 82.1% on a one-EMI adjusted basis.

As of March 31, 2025, the Bank had over 6 lakh Vikas loan customers. The Vikas loan portfolio comprising individual loans crossed a significant milestone of ₹ 3,000 crores, contributing ~59.5% of the overall Inclusive Finance book. Vikas loan disbursements were ₹ 2,000 crores in FY2024-25. The collection efficiency for Vikas loans stood at 85.6% on a one-EMI adjusted basis.

With the aim to expand its reach in the Inclusive Finance [IF] segment, the Bank added many new branches and banking outlets during the year. The concentration risk also declined, with the top three states accounting for 56% of the Inclusive Finance portfolio as of March 31, 2025 as against 66% in the last year. The asset quality in the inclusive finance segment deteriorated as there was a systemic challenge in overall microfinance industry, with the Gross NPA ratio at 13.6% and Net NPA ratio at 9.1% as of March 31, 2025. The Bank has, however, covered over 98% of its IF portfolio under CGFMU scheme. The GNPA in the IF portfolio is INR 734 crores all of which can be claimed under the credit guarantee scheme. The Bank has maintained a Provision Coverage Ratio of 36.5% for the Inclusive Finance portfolio, over and above the CGFMU coverage, as per IRAC norms 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 comprising both credit and deposit products to further enhance financial inclusion. Additionally, the Bank has introduced a version of the Vikas Loan product for its New To Bank Customer with impeccable credit history.

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 FY2024-25. The Bank's mortgage portfolio, including retail and micro-mortgage loans, grew by 37% YoY to ₹ 2,187 crores as of March 31, 2025.

As of March 31, 2025, the home loan portfolio stood at ₹ 725 crores, contributing 33.2% to the overall mortgage book. Disbursements in the home loan segment amounted to ₹ 210 crores during the year, with a collection efficiency of 97.7% on a one EMI adjusted basis.

Similarly, the LAP Portfolio, which is the focus area for the Bank, achieved a significant milestone of ₹ 1,056 crores,

currently contributing over 48.3% of the mortgage book. LAP disbursements were at ₹ 562 crores in FY2024-25 compared to ₹ 374 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 ₹ 406 crores, contributing 18.6% of the mortgage book as of March 31, 2025, with disbursements of ₹ 216 crores during FY2024-25. The collection efficiency for micro-mortgages stood at 96.4% on a one EMI adjusted basis.

The asset quality in the mortgage segment remained stable, with the Gross NPA ratio at 0.5% and Net NPA ratio at 0.3% during the financial year under review. Additionally, the Bank maintained a Provision Coverage Ratio of 50.0% 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.

Commercial Vehicles (CV)

The Commercial Vehicles (CV) segment continued to be an important portfolio for Suryoday SFB in FY2024-25. As of March 31, 2025, the Bank's gross CV advances grew by 60.9% YoY to ₹ 1,336 crores.

The collection efficiency for the CV portfolio remained healthy at 97.8% on one EMI adjusted basis for FY2024-25. The Bank also added ~4,000 new CV customers during the year.

The asset quality in the CV segment remained healthy, with the Gross NPA ratio at 0.2% and Net NPA ratio at 0.1% as of March 31, 2025. The Bank maintained a Provision Coverage Ratio of 16.4% for the CV portfolio.

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. The Bank will also focus on construction equipment, used car along with existing used CV segment. It will also continue to focus on maintaining a balanced portfolio mix while adhering to stringent credit norms and risk management practices.

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, 2025, the FIG loan book stood at ₹ 1,147 crores. In FY25 there was one default case amounting to ₹ 11.7 crores which was fully provided in the same otherwise the loan portfolio maintained an impressive collection efficiency of 100% on one EMI adjusted basis for FY2024-25, reflecting the Bank's robust credit underwriting and monitoring processes.

Deposit Franchise

The Bank continued to focus on building a granular and sticky retail deposit base. The total deposits of the Bank grew 36% YoY to ₹ 10,580 crores as of March 31, 2025, with retail deposits

(including CASA) contributing 81.1% to the overall deposit book. The Bank – for the first time – has a credit deposit ratio less than 100%, at 96.9%.

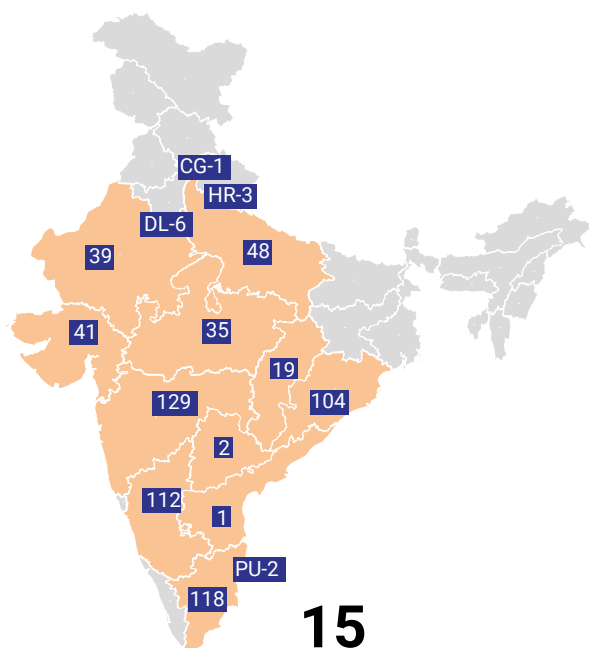
The CASA ratio also improved from 20.1% in FY2023-24 to 20.9% in FY2024-25, reflecting the Bank's efforts to mobilise low-cost funds and enhance its deposit franchise. The Bank's focus on product driven approach to garner deposit. The Bank has three different channels – Bank Branch, IF Banking Outlets, Digital & other Partnerships to source its deposits.

Bank has undertaken initiatives like SBOs (Smart Banking Outlets) which are low cost, low infra outlets to increase presence in the catchment and long-term saving solutions like DJDs (Double Joy Deposits).

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.

Deposits Overview

Period	Total Deposits	Retail TD	CASA	Bulk	% of Retail Deposits
Mar-23	5,167	2,895	884	1,388	73.1%
Dec-23	6,484	4,153	1,199	1,132	82.5%
Mar-24	7,777	4,561	1,566	1,650	78.8%
Mar-25	10,580	6,373	2,212	1,995	81.1%



15

States and UTs

710

Banking Outlets (BO)

States Banking Outlets

Branch Distribution

Particulars	FY25	FY24
Asset focused outlets	387	392
Liability focused outlets	126	109
Rural Centers	197	194
Total	710	695

Geographical Mix of the Branches

State	Liability Focused	Assets Focused	Rural	Total
Maharashtra	47	74	58	179
Tamil Nadu	23	63	32	118
Karnataka	16	73	23	112
Odisha	10	29	65	104
Uttar Pradesh	3	34	11	48
Gujarat	5	36	0	41
Rajasthan	1	37	1	39
Madhya Pradesh	5	25	5	35
Others	16	16	2	34
Grand Total	126	387	197	710

Key Highlights for FY 2024-25

Asset and Deposit Business

- Gross advances stood at ₹ 10,251 crores as of March 31, 2025, an increase of 18.5% year-on-year, driven by increased disbursements across, commercial vehicle and mortgage segments.
- The Vikas Loan (individual loan) portfolio surpassed ₹ 3,000 crores, contributing around 60% of the inclusive finance book.
- Total deposits grew by 36% year-on-year to ₹ 10,580 crores as of March 31, 2025.
- Retail deposits (including CASA) contributed 81.1 % to the overall deposit book.
- The CASA ratio improved from 20.1% in FY2023-24 to 20.9% in FY2024-25.

Business Performance

- NII stood at ₹ 1,106 crores in FY2024-25, an increase of 15% year-on-year.
- Total disbursements remained flat for FY2024-25 at ₹ 6,989 crores compared to the previous year at 6,919.
- Vikas loan disbursements were ₹ 2,000 crores in FY2024-25.
- The Bank had a network of 710 branches as of March 31, 2025, with 126 liability-focused branches and 387 asset-focused branches.

Balance Sheet

- Total assets stood at ₹ 15,614 crores as of March 31, 2025, an increase of 26.1% year-on-year.
- Net advances (excluding IBPC and provisions) were ₹ 9,974 crores.



- Total deposits were ₹ 10,579 crores as of March 31, 2025.
- Borrowings stood at ₹ 2,710 crores, forming approximately 17% of total liabilities.

Financial Ratios

- Yield decreased to 18.8% in FY2024-25 from 20.2% in FY2023-24.
- Cost of funds increased from 7.3% in FY2023-24 to 7.8% in FY2024-25.
- NIM decreased to 9.0% in FY2024-25 from 9.8% in FY2023-24.
- Cost to income ratio excluding CGFMU expenses stood at 70.6% in FY2024-25 compared to 61.6% in FY2023-24.

- RoA was 0.9% in FY2024-25, compared to 2.1% in FY 2023-24.
- RoE was 6.0% in FY2024-25, compared to 12.9% in FY2023-24.

Asset Quality

- Gross NPA ratio increased to 7.2% as of March 31, 2025, from 2.8% as of March 31, 2024.
- Net NPA ratio increased to 4.6% as of March 31, 2025, from 0.8% as of March 31, 2024.
- PCR (excluding technical write-offs) decreased to 37.7% as of March 31, 2025, from 71.2% as of March 31, 2024.

Financial Review

Summary of Profit and Loss Statement

Particulars	FY 2024-25	FY 2023-24	YOY
Interest Earned	1,953.7	1,588.7	23.0%
Interest Expensed	847.6	626.5	35.3%
Net Interest Income	1,106.1	962.2	15.0%
Other Income	217.3	219.4	-1.0%
Net Total Income	1,323.4	1,181.6	12.0%
Operating Expenses	861.6	675.1	27.6%
Employee Expense	444.2	360.8	23.1%
Other Expense	417.3	314.3	32.8%
CGMFU Expense	72.6	52.6	38.0%
Operating Profit After CGMFU	389.2	453.9	-14.3%
Provision and Contingencies	245.4	166.3	47.5%
Profit Before Tax	143.8	287.6	-50.0%
Tax	28.9	71.6	-59.7%
Profit After Tax	115.0	216.0	-46.8%

Details of each line items

Income

The Bank's net total income increased by 12.0% year-on-year to ₹1,323.4 crores in FY2024-25 from ₹1,181.6 crores in FY2023-24. This growth was supported by a 23.0% rise in interest earned and a stable trend in other income, reflecting continued growth in the lending book.

Interest Earned

Interest earned rose by 23.0% year-on-year to ₹1,953.7 crores in FY2024-25 from ₹1,588.7 crores in the previous fiscal. This increase was driven by a sustained expansion in the Bank's loan portfolio primarily driven by secured asset, partly offset by reduced effective yield on account of non-paying book because of GNPA.

Other Income

Other income marginally declined by 1.0% to ₹217.3 crores in FY2024-25 compared to ₹219.4 crores in FY2023-24. This slight contraction reflects reduction of fee-based income in MFI business and a tapering off one-time gains booked in the previous year.

Interest Expended

Interest expended increased by 35.3% year-on-year to ₹847.6 crores in FY2024-25, up from ₹626.5 crores in FY2023-24. This was largely attributable to rising deposit costs amid aggressive rate competition and increased reliance on higher-cost borrowings to fund loan growth.

Operating Expenses

Operating expenses stood at ₹861.6 crores in FY2024-25, marking a 27.6% increase from ₹675.1 crores in the previous year. This rise was led by investments in branch expansion, technology upgrades, and talent acquisition to scale the Bank's operational capabilities and enhance customer experience.

Provisions and Contingencies

Provisions and contingencies increased sharply to ₹245.4 crores in FY2024-25 from ₹166.3 crores in FY2023-24. This uptick reflects because of increase in GNPA in Inclusive Finance portfolio. The Bank had covered its IF portfolio under CGFMU scheme (~ 98%). During FY24-25 Bank started providing for the portion which is not claimable under CGFMU scheme (~ 27%)

Net Profit

The Bank's net profit declined by 46.8% year-on-year to ₹115.0 crores in FY2024-25 compared to ₹216.0 crores in FY2023-24. The decline was primarily due to higher provisions, a sharp rise in interest and operating costs, and a slight moderation in income growth.

Summary of Balance Sheet

(Figures are in Crores)

Particulars	FY 2024-25	FY 2023-24	YOY
Capital and Liabilities			
Shareholder's Funds	1,927.1	1,805.0	6.8%
Deposits	10,579.6	7,777.3	36.0%
Borrowings	2,710.3	2,443.0	10.9%
Other Liabilities and Provisions	397.4	352.5	12.7%
Total	15,614.4	12,377.7	26.1%
Assets			
Fixed Assets	290.1	168.8	71.9%
Cash and Bank	1,709.5	1,180.1	44.9%
Investments	3,137.5	2,599.3	20.7%
Advances	9,974.3	8,078.0	23.5%
Other Assets	503.0	351.6	43.1%
Total	15,614.4	12,377.3	26.1%

Details of each line items

Total Assets

The Bank's total assets stood at ₹15,614.4 crores as of March 31, 2025, reflecting a strong year-on-year growth of 26.1% from ₹12,377.7 crores as of March 31, 2024. This expansion was supported by healthy growth in advances, higher investment volumes, and a strong increase in cash and bank balances.

Advances

Net advances grew to ₹9,974.3 crores as of March 31, 2025, marking a 23.5% year-on-year increase from ₹8,078.0 crores in the previous fiscal. The growth in advances was driven by robust disbursement momentum across all major lending verticals including micro banking (JLG), secured and unsecured business loans, commercial vehicle loans, and affordable housing.

As of March 31 (Rupees in Crore)	Fiscal Year 2025	Fiscal Year 2024
Bills purchased and discounted	259	-
Cash credit, overdraft, and loan payable	368	164
Term Loan	9,347	7,914
Total	9,974	8,078

Fixed Assets

Fixed assets increased by 71.9% year-on-year to ₹290.1 crores as of March 31, 2025, from ₹168.8 crores in FY2023-24. This significant growth reflects the Bank's continued investment in branch expansion, technology infrastructure, and office premises to support its scaling operations and digital capabilities.

Capital and Liabilities

The Bank's capital and liabilities stood at ₹15,614.4 crores as of March 31, 2025, compared to ₹12,377.7 crores a year earlier, registering a 26.1% increase. The growth was largely funded by strong deposit accretion, which rose by 36.0%, and a 10.9% increase in borrowings, alongside retained earnings that added to shareholder funds.

Summary of Key Financial Ratios

(Figures are in Crores)

Particulars	FY 2024-25	FY 2023-24	YOY
Yield on Gross Loan Portfolio	18.8%	20.2%	-135 bps
Cost of Deposits	8.0%	7.6%	33 bps
Cost of Funds	7.8%	7.3%	43 bps
NIM	9.0%	9.8%	-87 bps
CASA Ratio	20.9%	20.1%	77 bps
GNPA Ratio	7.2%	2.8%	436 bps
NNPA Ratio	4.6%	0.8%	376 bps
Provision Coverage Ratio (%)	37.7%	71.2%	-3345 bps



Corporate Governance

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)	Stakeholders' Relationship Committee
(vi)	Credit Committee of the Board
(vii)	IT Strategy Committee
(viii)	Customer Service Committee
(ix)	Special Committee of the Board for monitoring and follow up of cases of frauds (formed w.e.f. December 12, 2024)*
(x)	Board Committee for Review of Wilful Defaulters (formed w.e.f. December 12, 2024)*

*Note: As per the RBI Master Directions RBI/DOS/2024-25/118 DOS.CO.FMG. SEC.No.5/ 23.04.001/2024-25 dated July 15, 2024 and RBI/Dorr/2024-25/122/DoR.FIN.REC.No.31/ 20.16.003/2024-25 dated July 30, 2024 and basis the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Bank at its meeting held on December 12, 2024 approved the splitting of the former Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters ("SCBF & RWD") into two separate Committees namely;

- Special Committee of the Board for monitoring and follow up of cases of frauds ("SCBMF") and;
- Board Committee for Review of Wilful Defaulters ("RWD").

Human Resources

Suryoday Small Finance Bank firmly believes that its people are its greatest strength. The Bank remains resolute in creating a growth-oriented and inclusive culture. The Bank is guided by the philosophy of building a resilient and customer-focused 'Suryoday Smile' officers. As of March 31, 2025, the Bank's total employee base stood at 8,649 reflecting consistent year-on-year growth and alignment to its expanding branch network and customer base.

Talent Valuation

The Bank has introduced career development program for high-performing relationship officers in its MFI business, who have demonstrated exceptional potential. **One Team, One Dream** initiative aims to build a high-performing, collaborative environment that not only enhances individual capabilities but also ensures long-term success in managing customer relationships.

The bank continued to invest in employee growth through structured career development programs, offering targeted training, leadership pathways and upskilling initiatives to support long term professional advancement. The Bank advanced its employee talent valuation initiatives by implementing structured assessments, competency mapping, and performance analytics to identify high-potential talent and align workforce capabilities with strategic objectives.

Talent Engagement

The Bank remained committed to fostering a vibrant and inclusive workplace culture through a wide range of talent engagement initiatives. Throughout the year, we celebrated cultural diversity with festive events across branches and offices, enhancing team spirit and belonging. Leadership Connect programs provided platforms for open dialogue between senior leaders and employees, encouraging transparency and strategic alignment. Regular employees connect sessions, and feedback forums ensured continuous two-way communication. Wellness programs, both physical and mental, were introduced to support holistic employee well-being. In addition, recognition platforms, fun-at-work activities, CSR volunteering opportunities played a key role in strengthening engagement. These initiatives emphasized our commitment to creating a positive, purpose-driven environment where every employee feels valued, supported, and empowered to grow.

Talent Development

At Suryoday Small Finance Bank, we aim to empower our team of employees through continuous learning and professional growth. During FY2024-25, the Bank invested in capability building through a combination of instructor-led virtual training, digital learning and in-person programmes.

Key areas such as compliance, credit risk, customer service, digital banking and leadership development were the focus of our training programmes. Newly inducted employees were inducted through programmes tailored to their business domain. Our major initiatives were:

Capability Building:

Major capability-building interventions were undertaken to ensure:

- Comprehensive training beyond mandatory regulatory modules, including deep skilling on products, processes, systems, and behavioural competencies.
- Transitioning toward measurable, impact-driven learning, linking capability investments directly to productivity and business outcomes.

Digital Learning Transformation with New LMS:

Our new Learning Management System (LMS) is mobile-first, agile, and supports microlearning journeys. Key features include:

- AI-powered personalized learning paths
- Simulated and experiential learning modules
- Real-time analytics for measuring learning efficacy and ROI

As of FY25, more than 8,500 unique employees across levels were trained in functional and soft skills. We are gearing to propel our workforce into the digital future, equipping them with future-ready skills and knowledge, empowering them to deliver exceptional service and innovate in the ever-changing Indian financial landscape.

Information Technology

1) Suryoday SFB Technology Team - 2024–25

The past year has been a period of significant digital transformation for Suryoday Small Finance Bank.

Driven by a focus on agility, security, and digital-first innovation, our Technology team has made meaningful strides in enhancing our systems to better serve both our customers and our internal teams.

2) Product Innovation & Growth

2.1) Digital Banking Products: We partnered with fintechs to launch a fully digital fixed deposit journey, achieving over 700% growth in this area. To expand our credit offerings, we introduced a Secured Credit Card and forged key co-branded partnerships with companies like Stable Money and Mobikwik. We are also in the advanced stages of launching multiple new digital credit options.

2.2) MSME Lending: Through substantial technology investments, we revamped our MSME digital lending stack to enable a "one-minute pre-approval journey." This initiative, which balances digital speed with quality control, contributed to a 40% growth in MSME disbursements in Q4 of FY 2024–25.

3) Platform Modernization, Agility & Industry Recognitions

To ensure the smooth and rapid launch of digital products and partnerships, we established a Center of Excellence team. This year, we rolled out brand-new Internet Banking (IB), Mobile Banking (MB), and Corporate Internet Banking (CIB) platforms. We also revamped "Jyoti," our microservices-powered assisted onboarding tool, to accelerate acquisition journeys. Our enriched focus on enterprise applications and infrastructure monitoring has significantly improved the bank's IT services, reducing downtimes by over 60%. This comprehensive modernization effort, which earned us a Platinum Winner award from Infosys Finacle, enabled a 40% reduction in our average technology deployment lifecycle, significantly improving our go-to-market speed.

4) Lending Origination Excellence & Decisioning

In the past year, we made notable strides in enhancing our lending origination capabilities. The bank's lending ecosystem now operates seamlessly across multiple origination platforms which includes MSME loans, secured home loans, LAP, personal loans (PL), and business loans (BL). This operability has been enabled by dynamic Business Rules Engines (BRE), including our in-house BRE modules, which support real-time credit decisioning and risk assessment. Not only does this architecture allow us to offer a diverse portfolio of lending products through various digital partners, but it also ensures consistency, speed, and scalability in our underwriting and approval processes.

Additionally, to safeguard process integrity and compliance, our workflows incorporate regular sampling of anonymised records at every stage. This continual self-assessment

enables us to fine-tune our credit models and ensure robust governance across all lending origination channels.

These improvements have bolstered our ability to quickly underwrite and disburse loans, improved customer experience, and created a strong foundation for future growth as we continue to expand our lending partnerships.

5) Security & Data Backbone

We continue to build a resilient and intelligent foundation for the bank's future. Our cybersecurity posture was strengthened with structured governance, monthly Cyber Shield Days, and the expansion of our Digital KYC infrastructure to include widespread Video KYC adoption. On the data front, we initiated a new Data Lake project to power analytics-driven decisions for everything from personalized products to regulatory compliance. Our analytics layer is already in use for smarter credit underwriting and proactive risk scoring.

6) Looking Ahead

With a clear three-year IT modernization & Digital Business roadmap in place, we are working to solidify Suryoday SFB's position as one of India's most technology-forward and customer-centric banks. This journey is powered not just by technology, but by our people, our partnerships, and a shared belief in building banking around the lives of those we serve.

Corporate Social Responsibility

Demonstrating a strategic focus on inclusive development, **Suryoday Small Finance Bank** continues to drive impactful CSR initiatives that address critical social needs and foster long-term community well-being.

In FY 2024–25, the Bank in partnership with **Suryoday Foundation**, rolled out six flagship programmes spanning health, education, financial literacy, and livelihood development—benefiting **77,679 individuals**.

The flagship programmes comprise:

- **Spandan** – Promoting health awareness among women and adolescent girls
- **Adhira** – Providing financial literacy to domestic workers
- **Swayamshree** – Offering financial education to parents
- **Vidya** – Enhancing the quality of education for school children
- **Ujjwal** – Delivering financial education to students
- **Udyojika** – Empowering women through livelihood training

The Bank also continued its partnership with the **Rotary Club of Madras** to deliver preventive dental care to students in Chennai Municipal Schools. Launched in FY 2022–23, this initiative utilizes a mobile dental van and has reached **13,519 students** as of FY 2024–25.



In addition, the Bank supported **Kanavu Trust** in **Killai Village, Tamil Nadu**, by constructing a new bathroom complex, which was inaugurated on January 27, 2025.

Further extending its social impact, the Bank collaborated with **Delhi House Society Sewa Ashram** to address the needs of single, abandoned, and underprivileged mothers. Through this initiative, **30 women** were enrolled and received comprehensive support across employment, health, and skill development.

These programmes reflect the Bank's strategic approach to inclusive growth and community empowerment, delivering outcomes that matter.

Credit Rating

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

The Internal Controls

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

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

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

Risk Management

The Bank's risk management is presided over by the Risk Management Committee of the Board (RMCB) ably supported by the various Committees at the management level. These committees collectively ensure timely identification, assessment and mitigation of risks across the Bank.

Credit Risk Management team reviews portfolio quality, assesses credit risk in an objective manner. The credit risk team employs various tools and techniques like internal credit rating model, Early Warning System, monitoring quick mortality and slippage ratio, concentration risk tracking, sectoral exposure monitoring, etc. The key initiatives taken on the credit risk management included fine tuning of Bank's approach towards Risk Based Pricing (RBP). The Bank took new initiatives to extend credit in the MSME space through TReDS platform; the data and track record of the anchors helped the Bank manage

credit risk in an efficient manner in short tenor instruments. The Bank has put in place model validation policy to bring in higher accuracy and control in management of credit risk models. The Bank took initial steps towards management of climate risk by sensitising the business teams about risks of floods, drought and heat waves in the target markets.

The Bank has a conservative approach towards **Market Risk and Liquidity Risk**, including sensitivity of its investment positions to interest rates. The Bank continuously monitors and reviews its investment positions, liquidity buffers and other factors like concentration in deposits and tenors, volatility etc. The Bank built new scenarios for management of Liquidity Coverage Ratio (LCR), including higher weightages for deposit run off for specific category of depositors. The ALCO (asset Liability Management Committee), actively managed the rate of interest offered to depositors in tandem with the change in repo rate and market conditions, encouraging retail depositors and senior citizens to grow their relationship with the Bank. The Bank has put in place mechanism for Fund Transfer Pricing (FTP) to bring transparency in product pricing and profitability.

Operational Risk Management adopts a proactive approach to identifying and mitigating risks through a suite of tools including the Risk and Control Matrix (RCM), Risk and Control Self-Assessment (RCSA), Incident Management Tracking, Business Continuity Risk Assessment, Root Cause Analysis (RCA), and exception handling mechanisms. These tools are instrumental in uncovering gaps within Standard Operating Procedures (SOPs) and in providing actionable recommendations to the first line of defence for process enhancements. The team also manages the repository of the board approved policies and product, and process notes of the Bank.

To manage risks associated with third-party engagements, the Bank has put in place a robust Outsourcing Policy and Standard Operating Process (SOP). All material vendors undergo a comprehensive pre-onboarding risk assessment, conducted in collaboration with the Information Security Unit. Moreover, an annual review is mandated for all material vendors to ensure continued compliance and risk mitigation. In the realm of Business Continuity, the Business Continuity Management Policy (BCMP) ensures that contingency plans are well-established to restore critical business operations in the event of a disruption. The Disaster Recovery (DR) drills are thorough and scenario-based, conducted for each IT application to validate resilience and ensure uninterrupted delivery of essential products and services to our customers.

The Bank has put in place various tools and techniques for **Fraud Risk Management** which include comprehensive strategy for fraud detection and prevention, internal controls and awareness against frauds. The key pillars of fraud risk management in the Bank include fraud risk governance, fraud risk assessment, fraud detection/prevention and fraud monitoring/reporting.

Information Security Risk Management has acquired high importance in this digital age. It is imperative for banks to have robust information security protection mechanisms in place. This is essential as banks handle sensitive customer information and must ensure that this data is safe and protected.

The Bank has established a comprehensive risk management framework to identify, assess, and manage information security risks, making significant progress in enhancing its information security governance through continuous monitoring.

Additionally, the Bank has deployed a multi-layered security defence system to safeguard its information and assets. A Cyber Security Operations Centre (CSOC) is operational, monitoring alerts and anomalies 24/7 across the Bank's perimeter, internal networks, and systems.

The Bank has also deployed Attack Surface Management (ASM) to monitor external threats targeting its digital presence in real-time. This proactive approach enables the Bank to prioritize risks effectively, enhance incident response capabilities, and gain comprehensive visibility into its digital footprint. By continuously assessing vulnerabilities and identifying potential threats, the Bank can take informed actions to safeguard its assets and maintain a strong security posture.

Cautionary Statement

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



Corporate Governance Report

In accordance with the applicable provisions of the Companies Act, 2013 (the “**Act**”) and the Regulation 34(3) and Clause (C) of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), the Report on Corporate Governance for the Financial Year (“**FY**”) 2024-25, is presented below, and forms part of the Annual Report:

1. BANK’S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BANK’S GOVERNANCE STRUCTURE

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

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

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

3. BOARD OF DIRECTORS

a) Composition of Board:

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

As of March 31, 2025, 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, 2025, the Board comprised of Eight (8) Directors, consisting of Five (5) Independent Directors including One (1) Woman Independent Director, One (1) Managing Director & CEO, One (1) Whole-time Director (“**Executive Director**”) and One (1) Non-Executive Non-Independent (Investor) Director (“**Investor Director**”), representing to 63% Independent Directors and 37% 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 2024-25, 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 2024-25, are covered in the Board’s Report.

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

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

In case of appointment of new Director, 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, 2025:

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

* Mr. Vivek Anant Karve (DIN: 06840707), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years w.e.f. January 21, 2025 to January 20, 2030, vide Special Resolution passed through Postal Ballot on April 15, 2025.

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 separate Managing Director & CEO of the Bank. The appointment of both have been approved by RBI pursuant to the provisions of the BR Act.

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

c) Brief Profile of the Board of Directors:

Mr. Krishna Prasad Nair [DIN: 02611496] (Part-time Chairman)

Mr. Krishna Prasad Nair is an Independent Director of the Bank 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 the 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 been 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 Four (4) decades of experience, including 38 years of experience with Indian Overseas Bank (6 years) and IDBI Bank (32 years). He has attended various trainings with IIM-A, Centre for Advanced Financial Research & Learning (CAFRAL), RBI and Kellogg School of Business, USA. He served as Deputy Managing Director in IDBI Bank from September 2016 to May 2019 during which he handled Retail Banking, Corporate Banking, NPA Management, HR, IT, Administration & Facilities Management and was Chair and a Member of Credit and ALCO Committees.

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

He does not hold any shares in the Bank as on March 31, 2025.

Mr. John Arunkumar Diaz [DIN: 00493304]

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

He holds a Bachelor's Degree in Mathematics from University of Madras and a Post-Graduate Diploma in Business Management from Xavier Labour Relations Institute, Jamshedpur. He has over Five (5) decades of experience in banking & finance sector, including 28 years in Standard Chartered Bank, based in India and overseas, where he was head of programme & change management. Additionally, he has over 18 years of experience as a consultant in banking services for several international institutions, including in Indonesia, Thailand and Mauritius by way of his association with Quest OntheFRONTIER, 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, Shunya Fodder and Forage Agritech, Access Trusteeship Company, Old Bridge Mutual Fund Trustee, Synergy Relationship Management Services, Aavishkaar Venture Trustees, Jeevanti Healthcare, Lynx Healthplus Services, Synergy Health and Medical, Collateral Medical, 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)
- Information Technology Strategy Committee (Chairperson)
- Corporate Social Responsibility Committee (Chairperson)
- Audit Committee
- Nomination & Recommendation Committee
- Risk Management Committee

Mr. Diaz holds 22,000 Equity Shares in the Bank as on March 31, 2025.

Mrs. Swati Rajendra Datye [DIN: 06751552]

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

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

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

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

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

She does not hold any shares in the Bank as on March 31, 2025.

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

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

Prior to this, at Standard Chartered Bank (2003-2008), Mr. Sharma served as Business Head for Smart Pay, achieving significant growth in corporate payroll deposits. His tenure began as a founding member of the Corporate Liability & Wealth Business, rising to National Business Head.

Preceding this, he was at Hutchison Max and held pivotal roles in Corporate & New Initiatives, overseeing diverse aspects of telecom operations.

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

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

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

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

He does not hold any shares in the Bank as on March 31, 2025.

Mr. Vivek Anant Karve [DIN: 06840707]

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

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

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

In his last stint as CFO of Financial Services Sector at Mahindra Finance, a listed NBFC (September 2020 to October 2024), he was responsible for leading Finance function, spanning sectors such as Vehicle & Home

Finance, Insurance Broking and Mutual Fund. As a member of the top leadership team, he helped steer the company through the turbulent Covid period. Some of the notable contributions in his career with Mahindra Finance have centered around setting Performance Management Systems & Processes and Centralization of Customer On-boarding due diligence and Finance Processes.

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

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

Mr. Karve is an Independent Director on the Board of Eternis Fine Chemicals Limited (Unlisted public limited company) and Kaya Limited (Listed Company). He is also on the Board of Process Intelligence and Dynamics Private Limited.

He is a member of the following committees in the aforesaid companies:

(i) Eternis Fine Chemicals Limited

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

(ii) Kaya Limited

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

Mr. Ranjit Jayant Shah [DIN: 00088405]

Mr. Ranjit Shah is a Non-Executive Non-Independent (Investor) Director of the Bank w.e.f. November 2, 2018. He was re-appointed at the 16th AGM of the Bank held on September 12, 2024. He is liable to retire by rotation at the ensuing AGM of the Bank and being eligible offers himself for re-appointment as Non-Executive Non-Independent (Investor) Director of the Bank.

He is a Co-founder and Managing Partner of Gaja Capital. He holds a Bachelor's Degree in Electrical Engineering from Indian Institute of Technology, Bombay and an MBA from the University of Michigan. He has over Four (4) decades of experience including over Two (2) decades in private equity and the rest in the telecom / technology sector and in financial services and management consulting.

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

Mr. Ranjit Shah does not hold any shares in the Bank in his personal capacity as on March 31, 2025.

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 the Shareholders of the Bank vide Special Resolution passed at the 14th AGM 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 Indian Institute of Management – Calcutta. He has several years of experience in the banking and finance sector. Prior to co-founding Suryoday Micro Finance Private Limited, he was associated with various companies including GE Capital Transportation Financial Services, HDFC Bank and Chola Mandalam.

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

Mr. Baskar Babu Ramachandran holds 55,01,911 Equity shares in the Bank as on March 31, 2025.

Mr. Hemant Premchand Shah [DIN: 10548728]

Mr. Hemant Shah has been appointed as Whole-time Director [designated as “Executive Director” and Key Managerial Personnel of the Bank] for a period of Three (3) years, effective from April 01, 2024 to March 31, 2027 with the approval of the RBI vide its Letter No. DoR.GOV. No.S6035/29.44.006/2023-24 dated January 18, 2024 read with Letter No. DoR.GOV.No.S7134/29.44.006/2023-24, dated March 11, 2024 and subsequently by the Shareholders of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024.

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

He has a proven track record of demonstrating the ability to formulate and execute strategic support service functions aligned with the organisation's vision and mission. In his last stint with Kotak Bank, he handled Retail Operations, Compliance, Data Management, Risk Management, Business Solutions for Retail Banking System, and Large

Project Management (including integration with ING VYSYA Bank). Before Kotak Bank, he served in various roles with TATA Motors Finance and Gruh Finance.

By qualification, he holds Bachelor's Degree in Commerce and completed various Executive Education programmes from ISB Hyderabad & IIM Ahmedabad.

Mr. Hemant Shah is not a director in any other listed or public limited company.

He does not hold any shares in the Bank as on March 31, 2025.

d) Board Meetings, Attendance and Committee membership

The Board and Board's Committees meetings are convened at regular intervals to deliberate on matters of strategic and financial importance. 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 is 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, Eleven (11) Board meetings were held on April 11, 2024, May 09, 2024, June 28, 2024, August 01, 2024, September 12, 2024, October 24, 2024, December 12, 2024, January 23, 2025, February 07, 2025, March 06, 2025 and March 20 and 21, 2025 (Commenced on March 20, 2025 and concluded on March 21, 2025). The gap between any two meetings did not exceed one hundred and twenty days.

Details of attendance of Directors at Board Meetings held during FY 2024-25 and at the last AGM and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2025, are given below:

Name of the Director and Category	No. of Board meetings attended/ held during their tenure	Attendance at last AGM (September 12, 2024)	No. of directorships in other Public Companies	No. of Committee positions held in other Public Companies		Directorship in other Listed Entity and Category
				Chairperson	Member	
Mr. Krishna Prasad Nair <i>Part-time Chairman and Independent Director</i>	11/11	Yes	-	-	-	-
Mr. Mrutunjay Sahoo ¹ <i>Independent Director (upto September 21, 2024)</i>	5/5	Yes	-	-	-	-
Mr. Jyotin Mehta ² <i>Independent Director (upto February 12, 2025)</i>	9/9	Yes	-	-	-	-
Mr. John Arunkumar Diaz <i>Independent Director</i>	11/11	Yes	1	1	1	-
Mrs. Swati Datye <i>Independent Director</i>	11/11	Yes	-	-	-	-
Mr. Deepak Kumar Sharma ³ <i>Independent Director (w.e.f. April 11, 2024)</i>	10/10	Yes	-	-	-	-
Mr. Vivek Karve ⁴ <i>Independent Director (w.e.f. January 21, 2025)</i>	4/4	NA	1	-	-	-
Mr. Ranjit Shah ⁵ <i>Investor Director</i>	11/11	No	1	-	-	-
Mr. Baskar Babu Ramachandran <i>Managing Director & CEO</i>	11/11	Yes	-	-	-	-
Mr. Hemant Shah ⁶ <i>Whole-time Director (Executive Director) (w.e.f. April 01, 2024)</i>	11/11	Yes	-	-	-	-

¹ Mr. Mrutunjay Sahoo (DIN: 00015715), Non-Executive Independent Director of the Bank, who was re-appointed at the Thirteenth (13th) AGM of the Bank 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, retired from the position of the Non-Executive Independent Director of the Bank, effective from the close of business hours on September 21, 2024, on completion of his second term of Office as an Independent Director of the Bank.

² Mr. Jyotin Mehta (DIN: 00033518), Non-Executive Independent Director of the Bank, who was re-appointed at the Fourteenth (14th) AGM of the Bank held on August 26, 2022, 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. Further, 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, was completed on February 12, 2025, considering his original date of appointment as February 13, 2017. Accordingly, Mr. Jyotin Mehta was retired from the position of the Non-Executive Independent Director of the Bank, effective from the close of business hours on February 12, 2025.

³ 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 with effect from April 11, 2024, to April 10, 2029, vide Special Resolution passed through Postal Ballot on July 08, 2024.

⁴ Mr. Vivek Karve (DIN: 06840707), has been appointed as a Non-Executive Independent Director of the Bank for a period of Five (5) years with effect from January 21, 2025 to January 20, 2030, vide Special Resolution passed through Postal Ballot on April 15, 2025.

Mr. Karve (DIN: 06840707) appointed as an Additional Director (under Independent Category) of Kaya Limited (Listed Company) w.e.f. April 1, 2025.

⁵ Mr. Ranjit Shah (DIN: 00088405), Investor Director, was re-appointed at the Sixteenth (16th) AGM of the Bank held on September 12, 2024, liable to retire by rotation.

⁶ 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, with effect from 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 read with Letter No. DoR.GOV.No.S7134/29.44.006/2023-24, dated March 11, 2024 and of the members of the Bank vide Ordinary Resolution passed through Postal Ballot on April 28, 2024.

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, 2025, is as under:

Name of Director	Total Number of Shares held in the Bank as on March 31, 2025
Mr. Krishna Prasad Nair, (Part-time Chairman and Independent Director)	Nil
Mr. John Arunkumar Diaz, (Independent Director)	22,000
Mrs. Swati Datye, (Independent Director)	Nil
Mr. Deepak Kumar Sharma, (Independent Director)	Nil
Mr. Vivek Karve, (Independent Director)	Nil
Mr. Ranjit Shah, (Investor Director)	Nil

The Bank does not have any convertible instruments. Accordingly, none of the Non-Executive Director of the Bank hold any convertible instrument of the Bank as on March 31, 2025.

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

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

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

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

4. COMMITTEES OF THE BOARD

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

As of March 31, 2025, there were Ten (10) Committees of the Board as enlisted below:

Sr. No.	Name of the Committee
(i)	Audit Committee of the Board
(ii)	Nomination and Remuneration Committee
(iii)	Corporate Social Responsibility & ESG Committee (formerly known as Corporate Social Responsibility Committee)
(iv)	Risk Management Committee of the Board
(v)	Stakeholders' Relationship Committee
(vi)	Credit Committee of the Board
(vii)	IT Strategy Committee
(viii)	Customer Service Committee

Sr. No.	Name of the Committee
(ix)	Special Committee of the Board for monitoring and follow up of cases of frauds (formed w.e.f. December 12, 2024)*
(x)	Board Committee for Review of Wilful Defaulters (formed w.e.f. December 12, 2024)*

***Note:** As per the RBI Master Directions RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15, 2024 and RBI/DoR/2024-25/122/DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024 and basis the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Bank at its meeting held on December 12, 2024 approved the splitting of former Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters ("SCBF & RWD") Committee into two separate Committees namely;

- Special Committee of the Board for monitoring and follow up of cases of frauds ("SCBMF") and;
- Board Committee for Review of Wilful Defaulters ("RWD").

The composition and the Terms of Reference / Charters of the Committees of the Board are provided below:

(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 September 30, 2024, and February 13, 2025. The Composition of the ACB as on March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Jyotin Mehta, Independent Director (was Chairperson upto February 12, 2025)	Chairperson
2	Mr. Vivek Karve, Independent Director (Chairperson w.e.f. February 13, 2025)	Chairperson
3	Mr. Mrutunjay Sahoo, Independent Director (upto September 21, 2024)	Member
4	Mr. John Arunkumar Diaz, Independent Director	Member
5	Mr. Deepak Kumar Sharma, Independent Director (w.e.f. September 30, 2024)	Member
6	Mr. Ranjit Shah, Investor Director	Member

Mr. Mrutunjay Sahoo ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on September 21, 2024.

The Committee was last reconstituted on February 13, 2025, wherein Mr. Vivek Karve was inducted as Chairperson and member of the Committee and Mr. Jyotin Mehta ceased to be Chairperson and Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on February 12, 2025.

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:

- 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.
- Review the appropriateness, application and quality of the accounting policies and practices and the financial reporting process.
- 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 and review their scope of work.
- Discussion with Statutory Auditors, Internal Auditors and Secretarial Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- 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 Whistle blower policy and mechanism periodically.
- 12) To approve or ratify transactions of the Bank with related parties as per the provisions of the Policy for Related Party Transactions of the Bank and review significant transactions and matters related thereto; Grant of omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as prescribed and as amended from time to time.

(Explanation: Related parties as provided under the SEBI (Listing Obligations and Disclosure Requirements), 2015 and under the Banking Regulation Act and/or circulars issued by the RBI in this regard.)
- 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 and review important concurrent audit findings.
- 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 provide directions and oversee the operation of the total audit function in the Bank (internal as well as external) and issue whenever necessary suitable directions and timely completion of audit.
- 21) 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.
- 22) To discuss and ascertain from the Statutory Auditors post completion of the audit, areas of concern, if any.
- 23) To review management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- 24) 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.
- 25) 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.
- 26) To study the issues raised by Statutory Auditors and raise appropriate flags to the management in case of repeated issues.
- 27) Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- 28) 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.
- 29) To evaluate the adequacy and operational effectiveness of Internal Financial Control (IFC) of the Bank and also to evaluate Risk Management Systems of the Bank.
- 30) Review the implementation and effectiveness of the financial and Risk Management policies and processes and highlight any gaps observed to the Board.
- 31) Review and analyse various regulatory inspection and audit reports to identify inconsistencies and understand the Bank's action plan to mitigate the same.
- 32) 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.

- 33) Review the findings of any examinations by regulatory agencies, and auditor observations.
 - 34) Review the process for communicating the code of conduct to Bank personnel, and for monitoring compliance therewith.
 - 35) To review on quarterly basis reports provided by compliance officer on violations and remedial/punitive action for the same.
 - 36) Obtain regular updates from management regarding compliance matters.
 - 37) 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;
 - viii. Compliance with accounting standards;
 - b) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - c) Review of the financial statement and auditors' report thereon;
- 38) The ACB shall mandatorily review the following information:
 - a. management discussion and analysis of financial condition and results of operations;
 - b. statement of significant related party transactions submitted by management;
 - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. internal audit reports.
 - e. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the ACB; and
 - f. statement of deviations as and when becomes applicable:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"); and
 - (ii) annual statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice in terms of the Listing Regulations.
 - 39) 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.
 - 40) Reviewing processes, accounting practices and their implementation and also to perform any other activities, as the ACB or the Board deems necessary or appropriate.

Meetings of ACB:

During the year under review, the ACB met Nine (9) times on May 09, 2024, June 25, 2024, August 01, 2024, September 11, 2024, October 23, 2024, November 19, 2024, January 23, 2025, March 06, 2025, and March 19, 2025.

The details of the meetings of ACB attended by the members during FY 2024-25 are given below:

Name of Members	No. of meetings held during the year	No. of meetings held during the year
Mr. Jyotin Mehta (upto February 12, 2025)	7	7
Mr. Vivek Karve (w.e.f. February 13, 2025)	2	2
Mr. Mrutunjay Sahoo (upto September 21, 2024)	4	4
Mr. John Arunkumar Diaz	9	9
Mr. Ranjit Shah	9	7
Mr. Deepak Kumar Sharma (w.e.f. September 30, 2024)	5	5

(ii) Nomination and Remuneration Committee:

The Bank has constituted the 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 September 30, 2024, and February 13, 2025. The Composition of NRC as on March 31, 2025, is given below:

Sr. No.	Designation	Designation
1	Mr. Mrutunjay Sahoo, <i>Independent Director (was Chairperson upto September 21, 2024)</i>	Chairperson
2	Mrs. Swati Datye, <i>Independent Director (was member upto September 29, 2024; and thereafter, appointed as Chairperson w.e.f. September 30, 2024)</i>	Chairperson
3	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
4	Mr. Jyotin Mehta, <i>Independent Director (w.e.f. September 30, 2024 upto February 12, 2025)</i>	Member
5	Mr. Krishna Prasad Nair, <i>Independent Director</i>	Member
6	Mr. Ranjit Shah, <i>Investor Director</i>	Member

Mr. Mrutunjay Sahoo ceased to be Chairperson and Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on September 21, 2024.

The Committee was last reconstituted on September 30, 2024, wherein Mrs. Swati Datye who was member of the Committee was appointed as Chairperson of the Committee and Mr. Jyotin Mehta inducted as Member of the Committee.

Further Mr. Jyotin Mehta ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on February 12, 2025.

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

1. Evaluate the mix of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of independent directors and other directors.

2. Formulating the criteria for determining qualifications, industry knowledge, skill sets, experience, positive attributes, and independence of a director and to recommend to the Board of Directors a policy, relating to the appointment / re-appointment of the directors.

3. The person recommended to the Board for appointment as a director shall have the capabilities identified in such description.

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

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

Bank and to recommend to the Board of Directors a policy in this regard.

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

The Committee shall also ensure that the above policy is fully compliant with the statutory and regulatory guidelines issued from time to time on compensation to Key Management Personnel (KMP); Whole Time Directors (WTD); Chief Executive Officer (CEO); Material Risk Takers (MRT) and Risk Control Function Staff (RCS).

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down under applicable provisions and policies of the Bank and recommend to the Board of Directors, the appointment / re-appointment or removal thereof. In the case of appointment / re-appointment of directors, the Committee shall ensure that the persons identified adhere to the 'fit and proper' guidelines issued by RBI, the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and other applicable provisions of the BR Act in this regard.
6. Formulating /reviewing the criteria for evaluation of performance of all the directors and specifying the manner for effective evaluation of performance of the Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
7. Extending or continuing the terms of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors
8. Reviewing the "fit and proper" status of all the Directors on the Board of the Bank, on an annual basis, in accordance with the statutory and regulatory guidelines in force.
9. Devising a policy on diversity of Board of Directors and accordingly to review the structure, size, composition and diversity of the Board and make necessary

recommendations to the Board with regard to any changes in the composition of the Board as deemed necessary in accordance with the extant norms and reviewing the policy on diversity of Board of Directors.

10. Recommending to the Board, all remuneration, in whatever form, payable to KMP, WTD, CEO, MRT and RCS.
11. Recommending to the Board of Directors a policy on succession planning for the board and senior management and overseeing and reviewing the succession plans from time to time.
12. Advising HR related policies and thereafter reviewing the same on periodical basis.
13. To review the list of MRT, RCS and other categories of employees in accordance with extant guidelines.
14. Administering, monitoring, and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Bank and to consider grant of Stock Options or other share linked instruments (by whatever name called) to employees of the Bank and to function as the Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and to allot shares pursuant to exercise of Stock Options by employees.
15. Reviewing the composition of the existing Committees of the Board on annual basis and to recommend to the Board the changes in the composition of the existing Committees, if any, and also to recommend to the Board constitution of the new Committees, as and when required, considering the regulatory and / or business requirements of the Bank.
16. Carrying out any other function as is mandated by the Board from time to time and /or enforced/ mandated by any statutory notification, amendment or modification, as may be applicable; and
17. Performing such other functions as may be necessary or appropriate for the performance of its duties pursuant to the applicable Laws / Regulations / Rules thereunder.

Meetings of NRC:

During the year under review, the Committee met Seven (7) times on April 8, 2024, May 8, 2024, June 6, 2024, July 24, 2024, September 11, 2024, November 19, 2024 and January 21, 2025.

The details of the meetings of NRC attended by the members during FY 2024-25 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Mrutunjay Sahoo (upto September 21, 2024)	5	5
Mrs. Swati Datye	7	7
Mr. John Arunkumar Diaz	7	7
Mr. Krishna Prasad Nair	7	7
Mr. Jyotin Mehta (w.e.f. September 30, 2024, upto February 12, 2025)	2	2
Mr. Ranjit Shah	7	4

(iii) Corporate Social Responsibility & ESG Committee (formerly known as Corporate Social Responsibility Committee):

The Bank has constituted the Corporate Social Responsibility & ESG Committee 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 May 06, 2024. The Composition of CSR & ESG as of March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mrs. Swati Datye, Independent Director	Chairperson
2	Mr. Mrutunjay Sahoo, Independent Director (upto September 21, 2024)	Member
3	Mr. Jyotin Mehta, Independent Director (w.e.f. May 06, 2024, upto February 12, 2025)	Member
4	Mr. Deepak Kumar Sharma, Independent Director (w.e.f. May 06, 2024)	Member
5	Mr. Baskar Babu Ramachandran Managing Director & CEO	Member

Mr. Mrutunjay Sahoo ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on September 21, 2024.

Mr. Jyotin Mehta ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on February 12, 2025.

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 07, 2024, September 11, 2024, and January 22, 2025.

The details of the meetings of the CSR & ESG Committee attended by the members during FY 2024-25 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mrs. Swati Datye	3	3
Mr. Mrutunjay Sahoo (upto September 21, 2024)	2	2
Mr. Jyotin Mehta (w.e.f. May 06, 2024 upto February 12, 2025)	3	3
Mr. Deepak Kumar Sharma (w.e.f. May 06, 2024)	3	3
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-corporate-governance-policy-fy-25-26-1.0.pdf>

(iv) Risk Management Committee:

The Bank has constituted the Risk Management Committee of the Board ("RMCB") in line with the provisions of applicable RBI guidelines, SEBI Listing Regulations and other applicable provisions.

During the year under review, the Committee was reconstituted on May 06, 2024, and February 13, 2025. The Composition of RMCB as of March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. John Arunkumar Diaz, Independent Director	Chairperson
2	Mr. Jyotin Mehta, Independent Director (upto February 12, 2025)	Member
3	Mr. Krishna Prasad Nair, Independent Director	Member
4	Mr. Deepak Kumar Sharma, Independent Director (w.e.f. May 06, 2024)	Member
5	Mr. Vivek Karve, Independent Director (w.e.f. February 13, 2025)	Member
6	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member
7	Mr. Hemant Shah, Executive Director (w.e.f. May 06, 2024)	Member

The Committee was last reconstituted on February 13, 2025, wherein Mr. Vivek Karve was inducted as member of the Committee and Mr. Jyotin Mehta ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on February 12, 2025.

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 presence 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 detailed Risk Management Policies which shall include:
 - a) Framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information security, cyber security risks or any other risk as may be determined by the Committee.

- b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- c) Business Continuity Plan (BCP).
- 2) To frame and govern the risk strategy, and to approve the setting up of Bank's risk appetite and limits and to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank.
- 3) To review all Board approved policies of the Bank from time to time which are routed through functional Committees of the Board after review and recommendation.
- 4) To evaluate and establish a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk, strategic risk, compliance risk, reputation risk, exit strategic risk, information security and access risk, cyber security risk, attrition risk etc. to mitigate any risk arising therefrom.
- 5) To review, 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 review, assess and approve the stress testing results/scenarios/analysis and monitor the action plans and take corrective measures wherever necessary.
- 7) To oversee the working of Risk Management Committee of the Executives ("RMCE") and Asset-Liability Committee ("ALCO") and take note of the minutes of the meetings of RMCE and ALCO.
- 8) To keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
- 9) To conduct the Meeting of Chief Risk Officer with the Committee in accordance with RBI Circular No.DBR. BP.BC.No.65/21.04.103/2016-17 dated April 27, 2017.
- 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.

Meetings of RMCB:

During the year under review, the RMCB met Eight (8) times May 08, 2024, June 26, 2024, August 20, 2024, September 12, 2024, November 21, 2024, January 22, 2025, February 07, 2025 and March 18, 2025.

The details of the meetings of RMCB attended by the members during FY 2024-25 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. John Arunkumar Diaz	8	8
Mr. Jyotin Mehta (upto February 12, 2025)	7	7
Mr. Krishna Prasad Nair	8	8
Mr. Deepak Kumar Sharma (w.e.f. May 06, 2024)	8	8
Mr. Vivek Karve (w.e.f. February 13, 2025)	1	1
Mr. Baskar Babu Ramachandran	8	8
Mr. Hemant Shah (w.e.f. May 06, 2024)	8	8

(v) Stakeholders' Relationship Committee:

The Bank has constituted the Stakeholders' Relationship Committee ("SRC") in line with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations.

During the year under review, the Committee was reconstituted May 06, 2024, and September 30, 2024. The Composition of SRC as on March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Mrutunjay Sahoo, <i>Independent Director (upto September 21, 2024)</i>	Chairperson
2	Mr. Deepak Kumar Sharma, <i>Independent Director (was Member w.e.f. May 06, 2024 and thereafter, appointed as Chairperson w.e.f. September 30, 2024)</i>	Chairperson
3	Mrs. Swati Datye, <i>Independent Director</i>	Member
4	Mr. Ranjit Shah, <i>Investor Director</i>	Member
5	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member

Mr. Mrutunjay Sahoo ceased to be Chairperson and Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on September 21, 2024.

The Committee was last reconstituted on September 30, 2024, wherein Mr. Deepak Kumar Sharma who was Member of the Committee, appointed as Chairperson 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, Smart ODR, NSE & BSE and ensure their timely and speedy redressal.

- 6) To oversee and review all matters connected with transfer, transmission, name deletion, transposition, dematerialisation, rematerialisation, splitting/subdivision, consolidation of securities issued by the Bank and transfer of unclaimed dividend/shares to Investor Education and Protection Fund (IEPF).
- 7) To review movements in shareholding and ownership structure of the Bank.
- 8) The Committee shall oversee the various aspects of interests of all stakeholders of the Bank, including the shareholders and other security holders.
- 9) The Committee may sub-delegate all or any of its powers as referred in Clause (i) to (v) above to the Managing Director & chief executive officer or the Company Secretary to ensure timely and speedy resolution of any complaints/grievances/requests etc.
- 10) To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.
- 11) To issue the "Letter of Confirmation" to the shareholders against the service requests received from them in terms of SEBI circular.
- 12) To review the engagements with various Stakeholders including communication and feedback received from them. Further, recommend steps for improving engagement with the Stakeholders.

This Committee oversees redressal of shareholders' and debenture holders' grievances and other related matters.

During the year under review, the SRC met Four (4) times on May 7, 2024, July 30, 2024, October 23, 2024, and January 22, 2025.

The details of the meetings of the SRC attended by the members during FY 2024-25 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Mrutunjay Sahoo (upto September 21, 2024)	2	2
Mr. Deepak Kumar Sharma (w.e.f. May 06, 2024)	4	4
Mrs. Swati Datye	4	4
Mr. Ranjit Shah	4	3
Mr. Baskar Babu Ramachandran	4	4

(vi) Credit Committee of the Board:

The Bank has constituted the Credit Committee of the Board (“CCB”) in line with the provisions of applicable RBI guidelines.

The Composition of CCB as on March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Mrutunjay Sahoo, <i>Independent Director (upto September 21, 2024)</i>	Chairperson
2	Mr. Krishna Prasad Nair, <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

Mr. Mrutunjay Sahoo ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on September 21, 2024.

Note: Post retirement of Chairperson of the Committee, the Committee members elect amongst them the Chairperson to chair the proceedings of the meeting in the meeting itself.

The terms of reference of the Credit Committee of the Board are as under:

- 1) Approval of the credit proposals, that are beyond the approval authority of the Executive Credit Committee / the Managing Director & CEO (“MD & CEO”), within the limits stipulated in the Credit Policy of the Bank, as amended, from time to time.
- 2) Review of the quality of the credit portfolio of the Bank on a quarterly basis.
- 3) 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.
- 4) Review of trend in Quick Mortality and Performance of Restructured Book vis-à-vis Overall pool.
- 5) Review of top 20 Exposures of Key Products of the Bank, based on criteria decided by the Committee from time to time, on quarterly basis and also take note of One-time settlement (OTS) cases approved during the quarter in accordance with the Collection and Recovery Policy of the Bank, as amended from time-to-time.
- 6) Review of enhancement of limits in various loan products of the Bank viz., Commercial Vehicle, Housing Loan, Loan Against Property, JLG, Supply Chain Finance (SCF) etc. and recommend to the Board for approval.
- 7) Review of list of proposals approved by the MD & CEO of the Bank on quarterly basis.
- 8) To consider and note the credit proposals and pilot programs approved by the MD&CEO on a quarterly basis.
- 9) Review and approve the proposals for Sale of Stressed loans to Asset Reconstruction Company(ies) and modalities to be followed for execution of Sale.
- 10) Review and recommend proposals pertaining to Technical and Actual write-off of loans for review of the Audit Committee of the Board and thereafter, for approval of the Board.
- 11) Review and recommend creation of various provisions relating to advances of the Bank for approval by the Board.
- 12) 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 Ten (10) times on May 08, 2024, June 26, 2024, August 01, 2024, August 20, 2024, September 11, 2024, November 21, 2024, January 22, 2025, February 06, 2025, March 18, 2025, and March 28, 2025.

The details of the meetings of CCB attended by the members during FY 2024-25 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Mrutunjay Sahoo (<i>upto September 21, 2024</i>)	5	5
Mr. Krishna Prasad Nair	10	10
Mr. John Arunkumar Diaz	10	10
Mr. Baskar Babu Ramachandran	10	10

The Bank has constituted the IT Strategy Committee (“ITSC”) in line with the provisions of applicable RBI guidelines.

During the year under review, the Committee was reconstituted May 06, 2024, and September 30, 2024.

The Composition of ITSC as of March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Deepak Kumar Sharma, <i>Independent Director (was Member w.e.f. May 06, 2024, and thereafter, appointed as Chairperson w.e.f. September 30, 2024)</i>	Chairperson
2	Mr. Krishna Prasad Nair, <i>Independent Director (Chairperson upto September 29, 2024 and thereafter, continued as Member w.e.f. September 30, 2024)</i>	Member
3	Mr. Jyotin Mehta, <i>Independent Director (upto February 12, 2025)</i>	Member
4	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
5	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member

The Committee was last reconstituted on September 30, 2024, wherein Mr. Deepak Kumar Sharma, member of the Committee w.e.f. May 06, 2024, was appointed as Chairperson of the Committee w.e.f. September 30, 2024.

Further, Mr. Jyotin Mehta ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on February 12, 2025.

The terms of reference of the IT Strategy Committee are as under:

- 1) Review of technological developments in banking industry having relevance to the operations of the Bank, risk management, cyber security etc.
- 2) To approve and recommend to the Board an annual IT related strategy, its alignment with the overall business strategy, with risk management and its budget implications. Review implementation of the above on a quarterly basis.
- 3) Review of the progress in project implementation.
- 4) Review of vendor performance.
- 5) Review of Disaster Recovery Site performance, the Business Continuity Plan ("BCP") and matters related thereto and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement.
- 6) Review of IT organizational structure including IT-training matters.
- 7) Review of compliance to various IT-related inspection and audit reports.

- 8) Review of Cyber Security framework and related matters.
- 9) Approving policies related to IT and Information security.
- 10) Ensure that IT architecture, investment, organizational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.
- 11) Perform oversight functions over the IT Steering Committee (at a senior management level).
- 12) Monitoring IT risks and controls and evaluating effectiveness of management's monitoring of IT risks.
- 13) Overseeing the aggregate funding of IT at a bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.
- 14) To perform any other functions or duties as may be assigned by the Board/ Committee or as stipulated by the Companies Act, 2013, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.
- 15) To coordinate and seek views from other Board Committees and Senior Management to seek inputs and accordingly align the IT strategies in line with the overall Corporate Strategy of the Bank.
- 16) To review periodically and assess the IT capacity requirements and plans.

Meetings of ITSC:

During the year under review, ITSC met Six (6) times on May 08, 2024, July 12, 2024, October 22, 2024, January 21, 2025, February 26, 2025, and March 19, 2025.

The details of the meetings of ITSC attended by the members during FY 2024-25 are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Deepak Kumar Sharma (w.e.f. May 06, 2024)	6	6
Mr. Krishna Prasad Nair	6	6
Mr. Jyotin Mehta (upto February 12, 2025)	4	4

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. John Arunkumar Diaz	6	6
Mr. Baskar Babu Ramachandran	6	6

(viii) 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 May 06, 2024. The Composition of CSC as of March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Krishna Prasad Nair, <i>Independent Director</i>	Chairperson
2	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
3	Mr. Jyotin Mehta, <i>Independent Director (upto February 12, 2025)</i>	Member
4	Mr. Ranjit Shah, <i>Investor Director (upto May 05, 2024)</i>	Member
5	Mrs. Swati Datye, <i>Independent Director</i>	Member
6	Mr. Deepak Kumar Sharma, <i>Independent Director (w.e.f. May 06, 2024)</i>	Member
7	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Member
8	Mr. Hemant Shah, <i>Executive Director (w.e.f. May 06, 2024)</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:

- Assessing the overall implementation of the Customer Service-related Policies of the Bank, procedures, systems and processes and reviewing effective implementation of the Directives / guidelines issued by the Reserve Bank of India (“RBI”).
- 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.
- 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.
- Review of branding, marketing and customer engagement activities of the Bank and to work as a business support engine for growth of the Bank.
- Review of activities undertaken to promote digital payments.
- Review of the performance of the Standing Committee on Customer Service and updates submitted to the Customer Service Committee on quarterly basis.
- Review all the awards given by the Banking Ombudsman and those awards remaining unimplemented for more than three months.
- Review of the report of the Internal Ombudsman with respect to analysis of the complaints received, and complaints disposed of on quarterly basis.
- To review at quarterly intervals the number of claims from deceased depositors.
- Perform any other functions or duties as may be assigned by the Board or as stipulated by the RBI or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Meetings of CSC:

During the year under review, the CSC met Four (4) times on May 07, 2024, July 30, 2024, October 22, 2024, and January 21, 2025.

The details of the meetings of CSC attended by the members during FY 2024-25, are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Krishna Prasad Nair	4	4
Mr. John Arunkumar Diaz	4	4
Mr. Jyotin Mehta	4	4
Mr. Ranjit Shah (<i>upto May 05, 2024</i>)	0	0
Mrs. Swati Datye	4	4
Mr. Deepak Kumar Sharma (<i>w.e.f. May 06, 2024</i>)	4	4
Mr. Baskar Babu Ramachandran	4	4
Mr. Hemant Shah (<i>w.e.f. May 06, 2024</i>)	4	4

(ix) Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters ("SCBF & RWD") [upto December 11, 2024]:

As per the RBI Master Directions RBI/DOS/2024-25/118DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15, 2024 and RBI/DoR/2024-25/122/DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024, and basis the recommendation of the NRC, the Board of Directors of the Bank at its meeting held on December 12, 2024 has approved the splitting of former Special Committee of Board for Monitoring & Follow-up of cases of Frauds and Review of Wilful Defaulters ("SCBF & RWD") Committee into two separate Committees namely;

- Special Committee of the Board for monitoring and follow up of cases of frauds ("SCBMF") and;
- Board Committee for Review of Wilful Defaulters ("RWD")

Meetings of SCBF & RWD:

During the year under review, the SCBF & RWD met Three (3) times on June 26, 2024, August 20, 2024, and November 21, 2024.

The details of the meetings of SCBF & RWD attended by the members during FY 2024-25 (Period from April 01, 2024 to December 11, 2024), are given below:

Name of Members	No. of meetings held during the year (upto December 11, 2024)	No. of meetings attended (upto December 11, 2024)
Mr. Krishna Prasad Nair	3	3
Mr. Jyotin Mehta	3	3
Mr. Mrutunjay Sahoo (upto September 21, 2024)	2	2
Mrs. Swati Datye	3	3
Mr. Deepak Kumar Sharma (w.e.f. May 06, 2024)	3	3
Mr. Hemant Shah (w.e.f. May 06, 2024)	3	3
Mr. Baskar Babu Ramachandran	3	3

The Committee was reconstituted on May 06, 2024, wherein Mr. Deepak Kumar Sharma and Mr. Hemant Shah were inducted as members of the Committee.

Mr. Mrutunjay Sahoo ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on September 21, 2024.

(x) Special Committee of the Board for monitoring and follow up of cases of frauds ("SCBMF") [Constituted w.e.f. December 12, 2024]:

As per the RBI Master Directions RBI/DOS/2024-25/118DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated July 15, 2024 and basis the recommendation of the NRC, the Board of Directors of the Bank at its meeting held on December 12, 2024, has approved the Constitution of SCBMF.

Further basis the recommendation of NRC, the Board has also approved the Terms of Reference of SCBMF w.e.f. December 12, 2024.

The Committee was reconstituted on February 13, 2025. The Composition of SCBMF as of March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Krishna Prasad Nair, Independent Director	Chairperson
2	Mr. Jyotin Mehta, Independent Director (upto February 12, 2025)	Member
3	Mr. Vivek Karve, Independent Director (w.e.f. February 13, 2025)	Member
4	Mr. Baskar Babu Ramachandran, Managing Director & CEO	Member
5	Mr. Hemant Shah, Executive Director	Member

The Committee was reconstituted on February 13, 2025, wherein Mr. Vivek Karve was appointed as Member of the Committee w.e.f. February 13, 2025 and Mr. Jyotin Mehta ceased to be Member of the Committee due to completion of his second term as an Independent Director of the Bank on close of business hours on February 12, 2025.

The terms of reference of the SCBMF are as under:

1. Oversees effectiveness of the Fraud Risk Management in the Bank,
2. Reviews & Monitors cases of fraud,
3. Reviews root cause analysis performed by the Line function,
4. Recommends mitigating measures for strengthening internal controls.
5. Oversees the Risk management framework to minimise the incidence of frauds.
6. To review electronic / digital banking frauds;
7. Examine the procedures and responsibilities for timely reporting of frauds to concerned regulatory and enforcement agencies; to review any other similar organisation in respect of the cases and recovery position thereof;
8. To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Note:

The Senior Management shall be responsible for implementation of the fraud risk management policy approved by the Board of the Bank. A periodic review of incidents of fraud shall also be placed before the Board / Audit Committee of Board (ACB), as appropriate, by the Senior Management of the bank.

Meeting of SCBMF:

During the year under review, the SCBMF met One (1) time on February 06, 2025.

The details of the meetings of SCBMF attended by the members during FY 2024-25 (Period from December 12, 2024 to March 31, 2025), are given below:

Name of Members	No. of meetings held during the year (w.e.f. December 12, 2024)	No. of meetings attended (w.e.f. December 12, 2024)
Mr. Krishna Prasad Nair	1	1
Mr. Jyotin Mehta (upto February 12, 2025)	1	1
Mr. Vivek Karve (w.e.f. February 13, 2025)	0	0
Mr. Baskar Babu Ramachandran	1	1
Mr. Hemant Shah	1	1

(xi) Board Committee for Review of Wilful Defaulters ("RWD") [Constituted w.e.f. December 12, 2024]:

As per the RBI Master Directions RBI/Dorr/2024-25/122/DoR.FIN.REC.No.31/ 20.16.003/2024-25 dated July 30, 2024, and basis the recommendation of the NRC, the Board of Directors of the Bank at its meeting held on December 12, 2024 has approved the Constitution of RWD.

Further basis the recommendation of NRC, the Board has also approved the Terms of Reference of RWD w.e.f. December 12, 2024.

The Composition of RWD as of March 31, 2025, is given below:

Sr. No.	Name of Members	Designation
1	Mr. Baskar Babu Ramachandran, <i>Managing Director & CEO</i>	Chairperson
2	Mr. John Arunkumar Diaz, <i>Independent Director</i>	Member
3	Mrs. Swati Datye, <i>Independent Director</i>	Member
4	Mr. Deepak Kumar Sharma, <i>Independent Director</i>	Member

The terms of reference of the RWD are as under:

1. The Identification Committee shall make a proposal to the Review Committee for classification as a wilful defaulter by explaining the reasons in writing.
2. The proposal of the Identification Committee along with the written representation received shall be considered by the Review Committee.
3. To review the recommendation of the 'Identification Committee' that identifies accounts to be reported as wilful default to comply with the regulatory guidelines. The Order shall become final only after it is confirmed by the Review Committee.

4. The Review Committee shall pass a reasoned order and the same shall be communicated to the wilful defaulter.
5. To review/ consider publication of the photographs of borrowers, including proprietors/ partners/directors/ guarantors of borrower firms/ companies, who have been declared as wilful defaulters and Non-cooperative borrowers; and
6. To oversee the reporting of correct information to CICs and updation of List of Wilful Defaulters.
7. To perform any other functions or duties as may be assigned by the Board or as stipulated by the Reserve

Bank of India or any other regulatory authority or under any applicable laws as may be prescribed from time to time.

Note:

The Audit Committee of the lender shall periodically review the cases of wilful default and recommend steps to be taken to prevent such occurrences and their early detection should these occur. The review shall focus on identifying root causes of wilful default and addressing deficiencies, if any, in the wilful defaulter classification process adopted by the lender.

Meeting of RWD:

During the year under review, the RWD met One (1) time on March 19, 2025.

The details of the meeting of RWD held and meeting attended by the members during FY 2024-25 (Period from December 12, 2024 to March 31, 2025), are given below:

Name of Members	No. of meetings held during the year	No. of meetings attended
Mr. Baskar Babu Ramachandran	1	1
Mr. John Arunkumar Diaz	1	1
Mrs. Swati Datye	1	1
Mr. Deepak Kumar Sharma	1	1

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) and SMART ODR platform also, which are an online redressal system for investor grievances. The complaints received through the said platforms have also been resolved promptly by the RTA/Bank.

There were no investors complaints received and disposed-off during FY 2024-25. The Bank has not received dematerialization requests during the year under review.

Details of Investor Complaints received during the FY 2024-25:

Particulars	Shareholders	Debenture holders
No. of investor complaints pending as on April 01, 2024	0	0
No. of investor complaints received during FY 2024-25	0	0
No. of investor complaints disposed of during FY 2024-25	0	0
No. of investor complaints those remaining unresolved as on March 31, 2025	0	0

In compliance with the SEBI Listing Regulations, the statement of investor grievances was submitted to stock exchange on a quarterly basis.

For any assistance or request regarding transfer / transmission /dematerialisation of securities, non-receipt of annual report and any other query relating to the securities of the Bank, the investors may contact the RTA, KFin Technologies Limited at inward_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 07, 2024, and November 14, 2024.

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, 2025

Sr. No.	Name of Senior Management employees	Designation
1.	Mr. Baskar Babu Ramachandran	Managing Director & CEO
2.	Mr. Hemant Shah	Executive Director
3.	Mr. Kanishka Chaudhary	Chief Financial Officer
4.	Mr. Krishna Kant Chaturvedi	Company Secretary & Compliance Officer
5.	Mr. Yogesh Dixit	Chief Risk Officer
6.	Mr. Vishal Singh	Chief Information Officer and Head Digital Banking
7.	Mr. Shankar Surendran	Chief Compliance Officer
8.	Ms. Radhika Vinay Gawde	Chief Credit Officer
9.	Ms. Meenaa Sharma	Chief People Officer and Head - CSR
10.	Ms. Vibha Dilip Gawde	Chief Audit Officer
11.	Mr. Pandurang Gopinathrao Dixit	Chief of Internal Vigilance
12.	Mr. Sasidhar Vavilala	EVP - Business Intelligence & Analytics
13.	Mr. Himanshu Mishra	Chief Business Officer - Retail Banking*
14.	Mr. Senthil Kumar	Chief Business Officer – Inclusive Finance and Wheels
15.	Mr. Sudhakar Mogera	SVP - FIG & Digital Banking
16.	Mr. Gaurav Pawra	Business Head - Mortgages
17.	Mr. Karthik Krishnan	Head- Treasury - Front Office
18.	Mr. Anand Balaji K	Head Credit-Inclusive Finance
19.	Mr. Kartiklingam Nadar	Head - Operations

During the FY 2024-25, 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. Vishal Singh	Chief Information Officer and Head – Digital Banking	June 15, 2024	Appointment
2.	Ms. Dhara Manoj Vyas	Chief People Officer and Head - CSR	November 08, 2024	Cessation
3.	Ms. Meenaa Sharma	Chief People Officer and Head - CSR	November 09, 2024	Appointment
4.	Mr. Sandeep Arora	Chief Product and Customer Experience Officer	February 10, 2025	Cessation
5.	Mr. Narayan Thathai	SVP – Treasury Front Office	February 15, 2025	Cessation
6.	Mr. Karthik Krishnan	Head- Treasury - Front Office	February 16, 2025	Appointment

***Note:** Mr. Himanshu Mishra, Chief Business Officer - Retail Banking has resigned on March 03, 2025, from the position of 'Chief Business Officer - Retail Banking' of the Bank and his last working day with the Bank is April 15, 2025.

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 the Executive Directors:

Remuneration of the Managing Director & CEO comprises of basic salary, special allowance, perquisites and retiral benefits as may be approved by the Board, the shareholders and the RBI and performance incentive / variable pay, as may be approved by the Board and the RBI.

a. Details of Remuneration paid to the Managing Director & CEO in FY 2024-25:

Fixed Remuneration (including allowances) for FY-2024-25 (₹) [in Lakhs]	Retirals: Contribution to Provident fund and Gratuity (₹) [in Lakhs]	Perquisites in cash or kind (₹) [in Lakhs]	Total Fixed Remuneration (₹) [in Lakhs]
178.7	15.3	0	194

The Shareholders at 16th AGM had approved Fixed Remuneration of amounting of ₹ 210 Lakhs (inclusive of retirals and perquisites) p.a., of which, RBI approved ₹194 Lakhs (inclusive of retirals and perquisites) p.a. for FY 2024-25.

Variable Pay of ₹ 124 Lakhs was approved by RBI for FY'23-24, payable on deferral basis as per Compensation Policy of the Bank.

The Variable Pay to the Managing Director & CEO for FY 2024-25 is within the limit as approved by the Members at 16th AGM of the Bank and subject to the approval of the RBI, which is awaited.

Mr. Baskar Babu Ramachandran holds 55,01,911 Equity shares in the Bank as on March 31, 2025. Being a Promoter Director, he is not eligible for grant of any stock options. He purchased 1,50,000 Equity shares on March 17, 2025, from open market. Post this transaction, as on March 31, 2025 his individual holding stands at 55,01,911 Equity shares (5.18%).

b. Details of remuneration paid to the Executive Director in FY 2024-25:

Fixed Remuneration (including allowances) for FY-2024-25 (₹) [in Lakhs]	Retirals: Contribution to Provident fund and Gratuity (₹) [in Lakhs]	Perquisites in cash or kind (₹) [in Lakhs]	Total Fixed Remuneration (₹) [in Lakhs]
147.4	12.6	0	160

iii) Remuneration to Non-Executive Directors:

All the non-executive directors including the Independent Directors receive sitting fees for each meeting of the Board and Board's Committees. No stock options are granted to any of the Non-Executive Directors.

Details of sitting fees paid to Non-Executive Directors during FY 2024-25 are given below:

Name of Directors	Sitting Fees paid for meetings attended (in lakhs)
Mr. Krishna Prasad Nair, <i>Part-time Chairperson and Independent Director</i>	30.90
Mr. Mrutunjay Sahoo, <i>Independent Director</i> (upto September 21, 2024)	15.50
Mr. Jyotin Mehta, <i>Independent Director</i> (upto February 12, 2025)	24.50
Mr. John Arunkumar Diaz, <i>Independent Director</i>	33.00
Mr. Ranjit Shah*, <i>Investor Director</i>	Nil
Mrs. Swati Datye, <i>Independent Director</i>	20.30
Mr. Deepak Kumar Sharma, <i>Independent Director</i> (w.e.f. April 11, 2024)	26.60
Mr. Vivek Karve, <i>Independent Director</i> (w.e.f. January 21, 2025)	4.90

* 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.	14 th 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 MCA 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.
2.	15 th AGM of the Bank	Thursday, September 14, 2023	4:30 p.m. IST	Through VC / OAVM pursuant to Circular issued by MCA and SEBI	1) To approve the alteration of the Capital Clause in the Memorandum of Association of the Bank. 2) To approve the increase in the borrowing limit of the Bank up to ₹ 6,000 Crores under Section 180 (1)(c) of the Companies Act, 2013. 3) To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2023-24.
3.	16 th AGM of the Bank	September 12, 2024	3:30 p.m. IST	Through VC / OAVM pursuant to Circular issued by MCA and SEBI	1) To re-appoint Mr. John Arunkumar Diaz (DIN: 00493304) as an Independent Director of the Bank. 2) To approve the Remuneration Payable to Mr. Baskar Babu Ramachandran (DIN: 02303132), Managing Director & Chief Executive Officer of the Bank for the Financial Year 2024-25. 3) To approve the proposed modifications in the Suryoday ESOP Scheme 2019.

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 2024-25 and Procedure followed

The postal ballot process was conducted in accordance with the provisions of Section 110 and Section 108 of the Act read with Rule 22 and Rule 20 of the Companies (Management & Administration) Rules, 2014 and the Circulars issued by MCA and SEBI, from time to time in this regard.

MCA vide its circulars has permitted companies to conduct postal ballots by sending the notice in electronic form. Accordingly, physical copies of the notice along with postal ballot form and pre-paid business reply envelopes were not sent to the members for the postal ballots conducted during the year. Members were requested to convey their assent or dissent through remote e-voting only. Copies of the postal ballot notice were hosted on the website of the Bank, websites of the stock exchanges (i.e., BSE Limited and National Stock Exchange of India Limited) at www.bseindia.com and www.nseindia.com, respectively, and on the website of Bank's e-voting agency i.e., KFin Technologies Limited at www.kfintech.com. An advertisement was also published in the newspapers informing about completion of dispatch of the postal ballot notice and other details.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

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, July 08, 2024 and April 15, 2025.

Date of Postal Ballot Notice	Scrutinizer	Date of Approval	Link for Postal Ballot Notice and Results	Special Resolutions passed through Postal Ballot	No. of Votes in Favour	No. of Votes Against	% of Votes in Favour	% of Votes Against
March 22, 2024	Mr. Tushar Shridharani, Practising Company Secretary (Membership No. FCS 2690 and Certificate of Practice No. 2190)	April 28, 2024	https://www.suryodaybank.com/assets/pdf/SSFB_Postal%20Ballot%20Notice_22.03.2024_sd.pdf	1) To take note of the appointment of Mr. Krishna Prasad Nair (DIN: 02611496), Independent Director, as Non-Executive Part-time Chairman of the Bank. (Ordinary Resolution)	3,82,03,490	2,957	99.9923	0.0077
				2) To approve the appointment of Mrs. Swati Datye (DIN: 06751552) as an Independent Director of the Bank. (Special Resolution)	3,82,03,523	2,928	99.9923	0.0077
				3) To approve the appointment of Mr. Hemant Premchand Shah (DIN: 10548728) as a Director of the Bank. (Ordinary Resolution)	3,82,04,034	2,457	99.9936	0.0064
				4) To approve the appointment of Mr. Hemant Premchand Shah (DIN: 10548728) as Wholetime Director, designated as Executive Director and Key Managerial Personnel of the Bank. (Ordinary Resolution)	3,80,49,674	1,56,746	99.5897	0.4103
June 05, 2024	Mr. Tushar Shridharani, Practising Company Secretary (Membership No. FCS 2690 and Certificate of Practice No. 2190)	July 08, 2024	https://www.suryodaybank.com/assets/pdf/SSFB_Postal%20Ballot%20Notice_June%2007,%202024.pdf	To approve the appointment of Mr. Deepak Kumar Sharma (DIN:10575402) as an Independent Director of the Bank.	3,68,19,095	5,380	99.9854	0.0146



Date of Postal Ballot Notice	Scrutinizer	Date of Approval	Link for Postal Ballot Notice and Results	Special Resolutions passed through Postal Ballot	No. of Votes in Favour	No. of Votes Against	% of Votes in Favour	% of Votes Against
March 06, 2025	Mr. Tushar Shridharani, Practicing Company Secretary (Membership No. FCS 2690 and Certificate of Practice No. 2190)	April 15, 2025	https://www.suryodaybank.com/assets/pdf/SSFB-Postal-Ballot-Notice-March-06-2025.pdf	To approve the appointment of Mr. Vivek Anant Karve (DIN: 06840707) as an Independent Director of the Bank.	3,61,31,205	7,683	99.9787	0.0213

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/investor-corner/#disclosure-to-stock-exchanges>.

The Presentations made by the management to Institutional Investors/Analysts/Media are uploaded on the Bank's website at <https://www.suryodaybank.com/investor-corner/#disclosure-to-stock-exchanges>.

The Bank's website <https://www.suryodaybank.com/> contains a separate "Disclosures to Stock Exchanges" Section wherein financial results, corporate announcements, reports and presentations, Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other disclosures are made available. The Bank send various communication such as notice calling general meeting/postal ballot notice, and Annual Report to the email ids of the shareholders registered with the depositories.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting of the Bank: Date, Time, Venue	Thursday, September 11, 2025 from 3:30 PM (IST). Through video Conferencing/ Other audio-visual means
Financial Year	April 01 to March 31
Names and addresses of Stock Exchange where Equity Shares of the Bank are listed and Stock Code and confirmation on payment of Listing fees	1. National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Stock Code: SURYODAY 2. BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001 Stock Code: 543279 The Equity Shares of the Bank are listed on the aforesaid Stock Exchanges with effect from March 26, 2021, and the annual listing fees for FY 2024-25 have been paid. The securities of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory/ Statutory Authority.
CIN	L65923MH2008PLC261472
Date of Incorporation	November 10, 2008
ISIN	INE428Q01011
Depositories	1) National Securities Depository Limited ("NSDL") 2) Central Depository Services (India) Limited ("CDSL")
Dividend Payment date	The Bank has not proposed any Dividend for FY 2024-25.

Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	None																				
Listing of Debt securities of the Bank	The debt securities of the Bank (Non-Convertible Debentures) are listed on the Wholesale Debt Segment of the BSE Ltd., the Security Code being 960033.																				
Name and addresses of Debenture Trustee	Beacon Trusteeship Limited 5W, 5 th Floor, Metropolitan Building, E Block, Bandra Kurla Complex (BKC), Bandra (East), Mumbai 400 051 Phone No: 022-4606 0278 Toll Free No. 9555449955 Email: compliance1@beacontrustee.co.in																				
Registrar and Share Transfer Agent for Equity Shares and Non-Convertible Debentures	KFin Technologies Limited <i>(Formerly known as KFin Technologies Private Limited)</i> 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, 2025: <table><tr><th>Sr. No.</th><th>Description</th><th>Number of Equity Shares</th><th>% to Equity Share Capital</th></tr><tr><td>1</td><td>NSDL</td><td>7,60,17,521</td><td>71.522</td></tr><tr><td>2</td><td>CDSL</td><td>3,02,65,612</td><td>28.476</td></tr><tr><td>3</td><td>Physical</td><td>1,691</td><td>0.002</td></tr><tr><td>Total</td><td></td><td>10,62,84,824</td><td>100</td></tr></table> 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.	Sr. No.	Description	Number of Equity Shares	% to Equity Share Capital	1	NSDL	7,60,17,521	71.522	2	CDSL	3,02,65,612	28.476	3	Physical	1,691	0.002	Total		10,62,84,824	100
Sr. No.	Description	Number of Equity Shares	% to Equity Share Capital																		
1	NSDL	7,60,17,521	71.522																		
2	CDSL	3,02,65,612	28.476																		
3	Physical	1,691	0.002																		
Total		10,62,84,824	100																		
SEBI Complaints redressal systems (SCORES):	The Bank is registered with SEBI Complaints redressal systems (SCORES).																				
Distribution of shareholdings	Details provided below																				
Demat Suspense Account	During the year under review, no such transfer was made to Demat Suspense Account.																				
Details of credit ratings	The details of all credit ratings obtained by the Bank for all debt instruments are furnished in the Board's Report.																				
Address for correspondence	Company Secretary and Compliance Officer Unit No. 1101, Sharda Terraces, Plot no. 65, Sector-11, CBD Belapur, Navi Mumbai-400614																				
Shareholders' Helpdesk:	Dedicated email id for Shareholders' queries/grievances: company.secretary@suryodaybank.com Dedicated email id for Investors' queries /grievances: inv.relations@suryodaybank.com																				
Banking Customer Helpdesk	In the event of any queries/complaints, banking customers can directly approach to the Branches or can call/write to the Bank using the following contact details of Smile Centre Call: Customer care (Phone Banking) Numbers: 1800 266 7711 or Write to smile@suryodaybank.com																				

Distribution of shareholding as on March 31, 2025

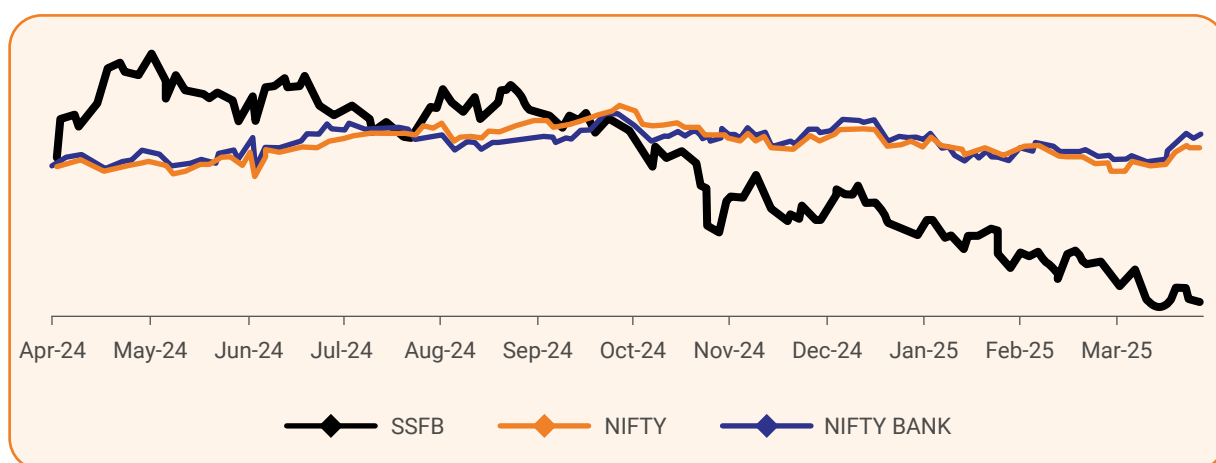
Sl. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	107638	98.99	20606788	19.39
2	5001 - 10000	572	0.53	4146680	3.90
3	10001 - 20000	249	0.23	3528482	3.32
4	20001 - 30000	94	0.09	2329411	2.19
5	30001 - 40000	41	0.04	1465418	1.38
6	40001 - 50000	19	0.02	869161	0.82
7	50001 - 100000	50	0.05	3567325	3.36
8	100001 & Above	71	0.07	69771559	65.65
	Total	108734	100.00	106284824	100.00

Shareholding pattern as on March 31, 2025

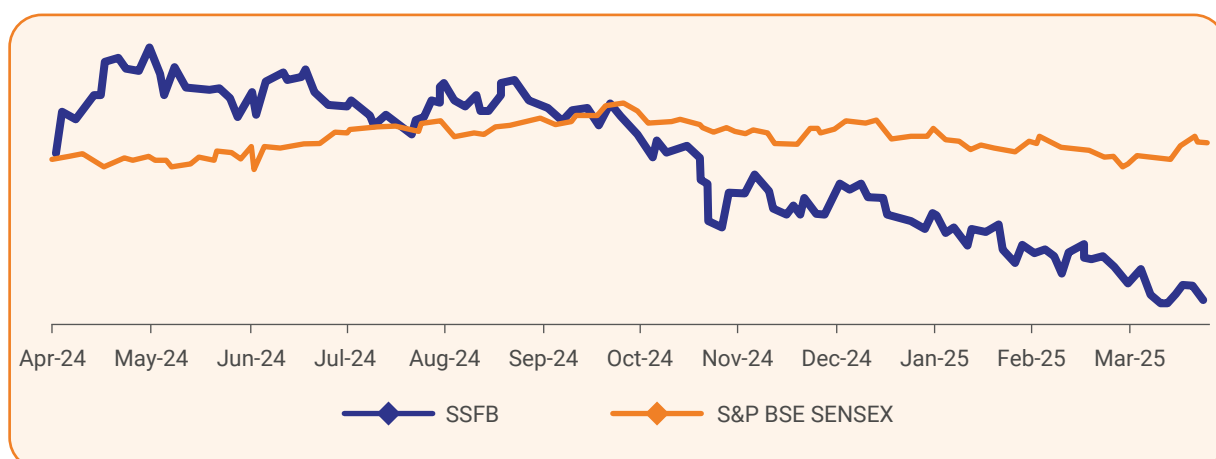
Shareholding Pattern as on March 31, 2025			
Sl. No.	Category and name of shareholder	No. of fully paid up equity shares held	%
A	Promoter & Promoter Group		
A1	Indian		
a	Individuals/Hindu undivided Family	12001398	11.29
b	Central Government/ State Government(s)	0	0.00
c	Financial Institutions/ Banks	0	0.00
d	Any Other (specify)	11845196	11.14
	Sub-Total (A)(1)	23846594	22.44
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)	23846594	22.44
B	Non-Promoters' holding or Public shareholder		
B1	Institutions		
a	Mutual Funds	45327	0.04
b	Venture Capital Funds	0	0.00
c	Alternate Investment Funds	0	0.00
d	Foreign Venture Capital Investors	0	0.00
e	Foreign Portfolio Investors	4967761	4.67
f	Financial Institutions/ Banks	0	0.00
g	Insurance Companies	5968991	5.62
h	Provident Funds/ Pension Funds	0	0.00
i	Any Other (specify)	0	0.00
	Sub-Total (B)(1)	10982079	10.33
B2	Central Government/ State Government(s)/ President of India		
	Sub-Total (B)(2)	0	0.00
B3	Non-institutions		
a	Individuals -		
i	Individual shareholders holding nominal share capital up to ₹ 2 lakhs	25551733	24.04
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	18468900	17.38
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)	27434068	25.81
	Sub-Total (B)(3)	71456151	67.23
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	82438230	77.56
	Total Shareholding [A+B]	106284824	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-24	217.5	161.2	3,289.14	217.5	162.4	32,276.46
May-24	219.6	183.1	1,671.70	217.7	183.1	13,415.42
Jun-24	212.0	171.7	987.61	212.8	172.0	9,710.22
Jul-24	201.2	172.6	1,170.60	201.0	172.9	10,563.77
Aug-24	205.5	184.6	1,803.02	205.3	184.1	21,189.76
Sep-24	191.8	179.0	767.11	191.5	178.9	6,845.88
Oct-24	184.5	130.7	1,550.84	184.5	130.6	15,414.01
Nov-24	163.2	131.1	551.10	163.0	137.7	7,326.38
Dec-24	158.9	132.6	645.15	155.6	132.6	6,886.91
Jan-25	142.0	115.2	810.01	142.8	115.2	6,825.15
Feb-25	128.0	109.3	491.83	127.1	109.1	4,563.30
Mar-25	117.1	98.1	1,208.32	117.6	98.0	10,890.94

Performance of the Bank's Equity shares as compared with indices:
A) SSFB via-a-vis NIFTY – FY 2024-25


Particulars	Market Cap as on March 28, 2025 (₹ Cr)	28-Mar-25	01-Apr-24	% Change
Suryoday Small Finance Bank Ltd.	1,066.14	100.3	165.1	-39%
NIFTY 50		23,519.4	22,462.0	5%
NIFTY BANK		51,564.9	47,578.3	8%

B) SSFB via-a vis SENSEX- FY 2024-25




Particulars	Market Cap as on 28 th March 2025 (₹ Cr)	28-Mar-25	01-Apr-24	% Change
Suryoday Small Finance Bank Ltd.	1,066.57	100.4	165.1	-39%
S&P BSE Sensex		77,414.9	74,014.6	5%

Share transfer system

As mandated by SEBI, securities of the Bank can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting/ consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. Further, the shareholders holding shares in physical form are requested to avail the facility of dematerialisation. The Bank's shares are traded under compulsory dematerialised mode.

Board Diversity

The Bank believes that Board diversity plays a very important role in the transparency and in the decision-making process in the Boardroom. The Bank has formulated and implemented Policy to Promote Diversity of Board of Director to comply with the Regulation 19(4) read with Part D of SEBI Listing Regulations and other applicable circulars / guidelines issued by RBI.

The objective of this Policy is to provide a framework and set standards for having a diversified Board which would facilitate better decision making leveraging different qualifications, skills, knowledge, and experience of the Board members and offering broader perspectives that are directly relevant to the business.

The Bank further believes that a diversified Board enhances board effectiveness and contributes towards driving business results, making corporate governance more effective, enhancing the quality and decision-making capability, ensuring sustainable development, and enhancing the reputation of the Bank.

The Board Diversity Policy is available on the website of the Bank at:- <https://www.suryodaybank.com/assets/pdf/policies/suryoday-policy-to-promote-diversity-of-board-of-directors-fy-25-26-1.0.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-fy25-26-1.0.pdf>

Plant Locations

Being a Banking Company, the Bank operates its business through a network of 710 Branches. The details of the Branch Addresses are available on the website of the Bank at:- <https://branch.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-25-26-1.0.pdf>

During the year, there were no related party transactions undertaken by the Bank.

b) Strictures and Penalties for last three financial years

i. Penalty(ies) by the Stock Exchange(s) /SEBI or other Statutory Authorities:

No penalties or strictures have been imposed on the Bank by the Stock Exchange(s)/SEBI or any other statutory authorities on matters relating to capital market during the last three years.

However, during the year under review, the Metropolitan Magistrate, 42nd Court, Shindewadi, Mumbai, vide its Order served on the Bank dated May 15, 2024, has ordered to pay fine of ₹ 20,000/- (Rupees Twenty Thousand only) for default in compliance of the provisions of Section 36A(1) Rule 35 p/u 29-31 of Maharashtra Shops and Establishment Act, regarding not printing the Name Board of one of the Branch of the Bank at Mulund in Marathi language in Devnagari script.

ii. Penalty(ies) by RBI:

During FY 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.

During FY 2023-24, the RBI had imposed a monetary penalty of ₹10,000/- (Rupees Ten Thousand) for not extending the exchange facilities for the soiled/ mutilated notes by one of the Branch of the Bank to the non-customers as prescribed by RBI vide RBI Master Direction No. RBI/2023-24/97 DCM (NE) No. G-2/08.07.18/2023-24 dated April 3, 2023. The said penalty is as per the provisions contained in RBI Master Direction RBI/2023-24/04 DCM (CC) G-3/03.44.01/2023-24 dated April 03, 2023 updated from time to time on "Scheme of Penalties for bank branches including Currency Chests for deficiency in rendering customer service to the members of the public".

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-fy24-25_1.0.pdf and details of the vigil mechanism are furnished in the Board's Report. No person has been denied access to the Audit Committee.

d) Compliance with Mandatory Requirements of the SEBI Listing Regulations and Adoption of Non-mandatory requirements of the SEBI Listing Regulations

I. Compliance with Mandatory Requirements of SEBI Listing Regulations

The Bank has complied with all applicable mandatory requirements of the Code of Corporate Governance as per the SEBI Listing Regulations.

II. Adoption of non-mandatory requirements of the SEBI Listing Regulations (Discretionary requirements as specified in Part E of Schedule II of SEBI Listing Regulations)

A. The Board

- i. The Bank maintains the expenses relating to the office of the Non-Executive Part-time Chairperson and reimburses all the expenses incurred in performance of his duties.
- ii. The Bank acknowledges its position among the listed entities ranked from 1001 to 2000 based on market capitalization, as determined by recognized stock exchanges in accordance with Regulation 3(2) SEBI Listing Regulations. In accordance with the requirements of SEBI Listing Regulation and the Companies Act, 2013, the Bank

has appointed a woman independent director on the Board of the Bank.

B. Shareholders' Rights

Apart from the quarterly update on the financial performance, the Bank also provides detailed update in form of Investor presentation for information of the shareholders.

The Bank also publishes its financial results, investors' presentations, call transcripts and Press releases every quarter and also when there is any investor event, on its website at <https://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 2024-25 are with unmodified audit opinion.

D. Separate posts of Chairperson and Managing Director/ Chief Executive Officer

The Bank has a non-executive Part-time Chairperson in terms of the provisions of the BR Act and his office is separate from the office of the Managing Director & CEO and the appointment of both the Chairperson and the Managing Director & CEO, is approved by RBI pursuant to the provisions of the BR Act.

Further, the Chairperson of the Bank is not related to the Managing Director & CEO of the Bank as per the definition of the term "relative" defined under the Act.

E. Reporting of Internal Auditor

The Chief Audit Officer of the Bank reports directly to the Audit Committee of the Board.

F. Independent Directors

The Bank has complied with the provisions of SEBI Listing Regulations with respect to conducting of two (2) separate meetings of the Independent Directors of the Bank without the presence of the non-Independent Directors and members of the management of the Bank. During the year under review, there were Two (2) separate meetings of the Independent Directors held on May 07, 2024, and November 14, 2024 wherein all the Independent Directors of the Bank were present.

G. Risk Management

The Bank has complied with the provisions of SEBI Listing Regulations with respect to constitution of Risk Management Committee of the Board ("RMCB"). The Bank had constituted RMCB with effect from March 29, 2017, as per the requirements mentioned in accordance with



the Regulation 21 of the SEBI Listing Regulations and BR Act read with relevant RBI Circular thereon amended from time to time pertaining to composition, roles and responsibilities.

e) Web link where policy for determining 'material' subsidiaries is disclosed

The Bank does not have subsidiaries.

f) Commodity Price Risk or Foreign Exchange Risk and Hedging activities

The Bank does not transact in foreign exchange, does not have exposure to lending against commodities and does not undertake hedging activities. The Bank is not exposed to foreign exchange risk, commodity price risk and risk from hedging activities.

g) Details of utilisation of funds raised through preferential allotment or qualified institutional placement

During the year under review, the Bank has not raised any funds through preferential allotment 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 MCA or any other Statutory Authorities. The said certificate forms part of Board's report.

i) Total fees for all services paid by the Bank to the Statutory Auditors for FY 2024-25 are detailed below

Sr. No.	Particulars	Amount (₹ in lakhs)
1	Audit fees	84.5
2	Fees for certification and other attestation services	0
3	Non-Audit Fees (Fees for certification and other attestation services)	0
4	Tax audit fees	5
	Total	89.5

Note - The above table does not include any out-of-pocket expense.

j) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Disclosures are furnished in the Board's Report.

Particulars	No. of Complaints
Number of Complaints carries forward from last year (FY'24)	0
Number of Complaints filed during the Financial Year (FY'25)	1
Number of Complaints disposed of during the Financial Year (FY'25)	1
Number of Complaints pending as on the end of the Financial Year (FY'25)	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"), Reserve Bank of India ("RBI"), Klynveld Peat Marwick Goerdeler ("KPMG"), Indian Institute of Corporate Affairs ("IICA") and other programmes relevant to business and governance of the Bank, knowledge session with subject matters experts and update on recent regulatory changes at regular intervals.

The Independent Directors of the Bank have attended various programs conducted online or in physical mode by CAFRAL, IDRBT, RBI, KPMG, IICA and other organisations. They have also attended programs organised by the management team of the Bank. The details of the programs attended by the Independent Directors is provided in the website of the Bank at: <https://www.suryodaybank.com/assets/pdf/policies/ssfb-familiarization-programmes-independent-directors-till-april-2025.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 Chairman, the MD & CEO and the Executive Director), Board Level Committees and the Board as a whole. The details of the same is included in the Board's Report.

m) In terms of Schedule V of the SEBI Listing Regulations and the BR Act, 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

XIV. Any other matter the special knowledge of, and practical experience in, which would, in the opinion of the RBI, be useful to the Bank's Business / Sectors:

Sr. No.	Name	Designation	Expertise
1.	Mr. Krishna Prasad Nair	Non-Executive Part-time Chairperson and Independent Director	Retail Banking, Human Resources, Information Technology and Administration & Facilities Management
2.	Mr. Mrutunjay Sahoo (upto September 21, 2024)	Independent Director	Agriculture and Rural Economy, MSME sector, Finance, Banking, co-operation, Economics, Small Scale Industry, Banking
3.	Mr. Jyotin Kantilal Mehta (upto February 12, 2025)	Independent Director	Accountancy, Banking, Risk Management, Small Scale industry, Information Technology
4.	Mr. John Arunkumar Diaz	Independent Director	Agriculture and Rural Economy, Banking, Finance, Small Scale industry, healthcare and distribution, Manufacturing
5.	Mrs. Swati Datye	Independent Director	Human Resource & Operations, talent acquisition, talent assessment, Leadership Mentoring Programs, POSH, Banking, Finance
6.	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
7.	Mr. Ranjit Shah	Investor Director	Business Management, Information Technology, consumer, finance, Infrastructure
8.	Mr. Vivek Karve (w.e.f. January 21, 2025)	Independent Director	Finance, Accountancy, Banking, Risk Management, Small Scale industry, Information Technology
9.	Mr. Baskar Babu Ramachandran	Managing Director and Chief Executive Officer	Rural Economy, Banking, Small Scale Industry, Business Management, Finance, Engineering, Risk Management
10.	Mr. Hemant Shah (w.e.f. April 01, 2024)	Whole-time Director (Executive Director)	Banking Operations, Risk Portfolio, Business Solutions Group and Governance Functions, Retail Operations, Compliance, Data Management, Risk Management, Business Solutions

Brief profile of the Directors of the Bank has been uploaded on the website of the Bank at <https://www.suryodaybank.com/about-us/#meet-the-team>



n) Terms and Conditions for Appointment of Independent Directors

A formal Letter of Appointment is addressed to the Independent Director(s) at the time of their appointment. The terms and conditions of Appointment of Independent Directors have been disclosed on the website of the Bank at:- <https://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 NRC while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Act, SEBI Listing Regulations and other applicable Rules and Regulations.

q) Queries at Annual General Meeting

Shareholders who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Bank's investor e-mail-id: company_secretary@suryodaybank.com with regard to the accounts at least 48 hours before the time fixed for the AGM mentioning their name, demat account number/folio number, e-mail ID, mobile number etc. The queries may be raised precisely and in brief to enable the Bank to answer the same suitably depending on the availability of time at the AGM.

r) Policies of the Bank

The Bank has adopted various policies/ codes over period of time as a part of good Corporate Governance practices and same is available

on the website of the Bank at <https://www.suryodaybank.com/investor-corner/#corporate-governance-policies>.

s) Accounting Treatment

The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule (Form A and Form B) of the BR Act and the guidelines issued by the RBI from time to time. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by RBI from time to time, the accounting standards notified under Section 133 of the Act and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention, unless otherwise stated by RBI guidelines.

t) Code of Conduct for Prevention of Insider Trading

The Bank has formulated the Code of Conduct for Prevention of Insider Trading ("**Bank's Code**"), in accordance with the SEBI (Prohibition of Insider Trading Regulations) 2015 (the "**PIT Regulations**"), as amended from time to time, to regulate, monitor and report trading by the Designated Persons specified therein and their Immediate Relatives in securities of the Bank and for dealing in securities listed or proposed to be listed (other than securities of the Bank), by the Designated Persons specified therein and their Immediate Relatives, and enumerating practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Thus, the Bank endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The Bank is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

The Prevention of Insider Trading Policy is available on the website of the Bank at <https://www.suryodaybank.com/assets/pdf/policies/suryoday-insider-trading-policy-fy-25-26-1.0.pdf>.

Further, the Bank has also maintained Structured Digital Database ("**SDD**") in compliance with the Regulation 3(5) and 3(6) of the PIT Regulations. Further, the SDD is fully updated in accordance with the abovementioned Rules.

u) Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Bank has formulated and approved the Dividend Distribution Policy with the objective of providing clarity to its stakeholders on the profit distribution strategies of the Bank. The policy is in line with the parameters prescribed thereunder for payment / distribution of dividend to the shareholders.

The said Policy is available on the website of the Bank at <https://www.suryodaybank.com/assets/pdf/policies/suryoday-dividend-distribution-policy-fy-25-26-1.0.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-of-conduct-applicable-to-directors-&-sr-mgmt-of-the-bank-fy-25-26-1.0.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 2024-25 and the same was placed before the Board of Directors at its meeting held on May 08, 2025. The said certificate is attached as **Annexure-2** to this report.

y) Compliance Certificate

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant heads of departments by the Compliance Department. A report duly signed by the Chief Compliance Officer and MD & CEO and/or Executive Director of the Bank confirming with applicable laws, is placed before the ACB and the Board on a quarterly basis.

z) Compliance certificate on Corporate Governance

The Bank has obtained a certificate affirming the compliance with the Corporate Governance requirements as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E and Schedule V of the SEBI Listing Regulations from 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.

aa) Recommendations of Committee not accepted by Board of Directors

There are no recommendations of the Committee that are not accepted by the Board of Directors of the Bank.

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]

Date: May 08, 2025

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: May 08, 2025

Annexure - 2

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, 2025

[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**

Kanishka Chaudhary
Chief Financial Officer

Place: Navi Mumbai
Date: May 08, 2025

Baskar Babu Ramachandran
Managing Director & CEO
(DIN: 02303132)

Annexure - 3

Certificate on Corporate Governance

To

The Members of
Suryoday Small Finance Bank Limited
1101, Sharda Terraces
Plot. 65, Sector 11
CBD Belapur
Navi Mumbai – 400 614

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, 2025, 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, 2025.

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.

Place: Mumbai
Date: May 08, 2025

(**Tushar Shridharani**)
Practicing Company Secretary
FCS 2690 / COP 2190
Peer Review Certificate No.: 1509/2021
UDIN: F002690G000298590

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 2024-25
- I-10. Name of the Stock Exchange(s) where shares are listed-** National Stock Exchange of India Limited, BSE Limited
- I-11. Paid-up Capital-** 1,06,28,48,240
- I-12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.**
- Mr. Himadri Das- Investor Relations
inv.relations@suryodaybank.com
 Land line number: 022-41856700 022-40435800
- I-13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).-** Standalone Basis
- I-14. Name of assurance provider-** N/A
- I-15. Type of assurance obtained-** Not applicable

II. Products/services

II-16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	The Bank offers a range of deposit and loan products, to suit varying customer needs. These include Savings Accounts, Current Accounts, Fixed/Recurring Deposits, Microfinance Loans for Financial Inclusion, Affordable Housing Loans, Commercial Vehicle Loans, etc.	Financial service activities, other than Insurance	100



II-17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Banking, Treasury, Wholesale Banking, and other Banking Operations	64191	100

III. Operations

III-18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	0	710	710
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):

Sr. No.	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
		</				

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
	Differently Abled Employees					
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	0	0	0	0	0
	Differently Abled Workers					
1	Permanent (F)	0	0	0	0	0
2	Other than Permanent (G)	0	0	0	0	0
3	Total Workers (F + G)	0	0	0	0	0

IV-21. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	8	1	12.50%
Key Management Personnel	4	0	0.00%

IV-22. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

	FY 2024-2025			FY 2023-2024			FY 2022-2023		
	(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	61.15%	64.68%	61.51%	68.28%	67.64%	68.22%	66.40%	84.27%	67.87%
Permanent Workers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Remarks: Organization reviewed and modified the attrition formula hence we are restating the percentages for FY 2024 and FY 2023.

Old Formula: Number of people exited during the period/ (Opening head count +Number of people hired during the period)

New Formula: Number of people exited during the period/ Average of opening and closing head count of that period

V. Holding, Subsidiary and Associate Companies (including joint ventures)

V-23. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	N/A	N/A	N/A	N/A

VI. CSR Details

VI-24. Provide the following CSR details

- Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes
- Turnover (in ₹) - 21710005129
- Net worth (in ₹) - 19270908457

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 2024-2025			FY 2023-2024		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Stakeholders Relationship Committee looks after the matters related to Investors' grievance (if any). The link to address Investors' grievance (if any) is given below: https://www.suryodaybank.com/assets/pdf/policies/INVESTOR-HELPDESK.pdf	0	0	0	0	0	0



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 2024-2025			FY 2023-2024		
		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
Investors (other than shareholders)	Yes. The Stakeholders Relationship Committee looks after the matters related to Investors' grievance (if any). The link to address Investors' grievance (if any) is given below: https://www.suryodaybank.com/assets/pdf/policies/INVESTOR-HELPDESK.pdf	0	0	0	0	0	0
Shareholders	Yes. The Stakeholders Relationship Committee looks after the matters related to Investors' grievance (if any). The link to address Investors' grievance (if any) is given below: https://www.suryodaybank.com/assets/pdf/policies/INVESTOR-HELPDESK.pdf	0	0	0	0	0	0
Employees and workers	Yes, https://suryoday.workline.hr/Content/CMSEmpDocumentView.aspx?catecode=1&pagemode=A&type	4	0	NA	0	0	NA
Customers	https://www.suryodaybank.com/assets/pdf/policies/suryoday-policy-on-customer-service-fy24-25-2-0.pdf	11774	302	The pending complaints will be resolved at the earliest	13773	218	The pending complaints will be resolved at the earliest.
Value Chain partners	No	0	0	0	0	0	0
Other (please specify)	No	0	0	0	0	0	0

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	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Compliance with Regulatory oversight under The Banking Regulation Act 1949, The Companies Act 2013, The SEBI Regulations, 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 of the Board to ensure compliance under various regulations.	Negative
3	Financial Inclusion and inclusive Banking	Opportunity	The genesis of the Bank as micro-finance lending institution has 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)	-	Positive
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 program.	Negative
7	Corporate Governance & Ethics	Opportunity	Basic and fundamental concepts of Banking and ESG principles revolve around Corporate Governance and Ethics. The positive effects span across all stakeholders and has business implications	-	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)
8	Corporate Governance & Ethics	Risk	Wrong perception, misconception and/or misinformation regarding the said aspect can have negative implications for business and management independence.	The Bank follows best in class governance practices.	Negative
9	Economic Performance and Financial Capital	Opportunity	Economic performance leads to enhancement in financial capital and vice versa. Both are crucial for business performance and crucial for nature of business / sector the Bank is functioning in.	-	Positive
10	Economic Performance and Financial Capital	Risk	Failure in one can constrain the other and vice versa	The Bank maintains adequate liquidity and capital buffer above the regulator prescribed limits.	Negative
11	Data Security	Opportunity	Appropriate and adequate safety systems create trust and confidence in the Bank Operations and its Management and generates customer satisfaction	-	Positive
12	Data Security	Risk	Failure in any aspect can lead to regulatory censure and customer dissatisfaction	External Controls: Antivirus, Data Classification, Encryption, Application Control, Proxy, TACACS – Radius, NSX – Zero Trust, Decoy Internal Controls: Penetration Test, Dark-Web Monitor, Anti-Phishing, Brand Monitor, Malware Monitor, Rouge App Monitor, DDoS Service, Firewall, Intrusion Prevention	
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.	-	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

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)
16	Risk Management	Opportunity	As a financial institution the Risk Management framework is critical in every respect to every stakeholder identified – internal and external. The Risk Management function reports to the MD&CEO and is independent of Operations and Business. The Bank is embarking on a detailed program to enhance its Risk Management Systems to include assessment on Environment Risk – transition and mitigation.	-	Positive
17	Lending Practices	Opportunity	The Bank ensures that its lending practices and sales efforts are underlined with good and fair conduct- mainly ensuring non-mis-selling of products, transparency in terms and conditions, proactive 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.	-	Positive
18	Consumption Emissions Reduction	Opportunity	As a reducing long-term operations cost and positive perception of stakeholders such as investors. The proposal to systematically track emissions across Scope 1 and Scope 2 processes are still being set, and once they are done targets will be developed and communicated.	-	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 has in place Corporate Social Responsibility & ESG Committee to address this aspect	Positive
20	Employee Training & Development	Opportunity	To attract and retain high quality talent across departments and regions of the Bank etc.	-	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 behavioral trainings.	Negative
22	Community Engagement	Opportunity	The nature of business and customer segment the Bank caters to provides an opportunity for creating positive interface and has potential for business enhancement	-	Positive



SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	No	No	No	No	No	No	No	No	No
1. c. Web Link of the Policies, if available	https://www.suryodaybank.com/assets/pdf/policies/suryoday-corporate-governance-policy-fy-25-26-1.0.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-governance-policy-fy-25-26-1.0.pdf	https://www.suryodaybank.com/assets/pdf/policies/policies/Suryoday-Social%20and%20Environmental%20Sustainability%20Policy-FY24-25_1.0%20.pdf	https://www.suryodaybank.com/assets/pdf/policies/suryoday-corporate-governance-policy-fy-25-26-1.0.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-grievance-redressal-policy-fy24-25-2.0.pdf
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.	-	-	-	-	-	-	-	-	-



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Bank plans on developing and devising specific commitments and targets with defined timelines. https://www.suryodaybank.com/assets/pdf/policies/suryoday-corporate-governance-policy-fy-25-26-1.0.pdf https://www.suryodaybank.com/assets/pdf/policies/Familiarisation.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

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)	As we continue to explore the principles of ESG, it becomes increasingly evident that this journey is not optional-it is essential to our very existence. Even if the immediate outcomes appear modest, our role as a responsible organization and a proactive member of the financial ecosystem compels us to move forward. We are dedicated to taking meaningful actions that contribute to addressing global challenges, such as climate change, and to driving progress toward a more sustainable future. We have already initiated several steps, including digitizing processes to reduce paper usage, promoting the use of sustainable glass bottles over plastic ones, and installing light sensors in restrooms to conserve energy.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	1. DIN: 02303132 2. Name: Mr. Baskar Babu Ramachandran 3. Designation: Managing Director & Chief Executive Officer (b) Details of the BR head: 1. DIN (if applicable): 02303132 2. Name: Mr. Baskar Babu Ramachandran 3. Designation: Managing Director & Chief Executive Officer 4. Telephone number: 022-40438000 5. e-mail id: baskar.babu@suryodaybank.com
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Bank has in place the Corporate Social Responsibility & ESG Committee which takes decisions on sustainability related issues.

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee										Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P1	P2	P3	P4	P5	P6	P7	P9	P9	P1	P2	P3	P4	P5	P6	P7	P9	P9		
Performance against above policies and follow up action																				
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																				

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

S. no	P1	P2	P3	P4	P5	P6	P7	P9	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	P9	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)							Yes		No
It is planned to be done in the next financial year (Yes/No)							Yes		Under Implementation
Any other reason (please specify)							Yes		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	7	Familiarisation, IT & Cyber Security, Leadership, ESG, Climate Change Risk and Sustainability These programs familiarise newly joined directors with the bank and its working. The other programs inform about the latest trends in cyber security and sustainability, and their impact on the entire ecosystem in which the bank operates. The information thus gained helps the board members in guiding the bank on policy matters.	87.50%
Key Managerial personnel	6	Familiarisation, IT Cyber Security, Leadership, Competency Framework, Small & Micro Enterprises The familiarisation programme familiarises newly joined personnel with the bank and its working. The other programmes strengthen leadership and functional skills and keep leaders up to date with the latest developments in cyber security.	100.00%
Employees other than BoD and KMPs	233	Leadership, Functional and Behavioural These programmes improve functional prowess, enhance leadership and communication skills, increase product knowledge and reinforce sales skills and interpersonal skills	90.40%
Workers	N/A	N/A	N/A

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	Metropolitan Magistrate, 42 nd Court, Shindewadi, Mumbai	20,000	Default in compliance of the provisions of Section 36A(1) Rule 35 p/u 29-31 of Maharashtra Shops and Establishment Act, regarding not printing the Name Board of one of the Branch of the Bank at Mulund in Marathi language in Devnagari script.	No
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

El-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

El-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-code-of-conduct-applicable-to-directors-&-sr-mgmt-of-the-bank-fy-25-26-1.0.pdf>

El-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

El-6. Details of complaints with regard to conflict of interest:

Category	Current Financial Year		Previous Financial Year	
	Number - 2025	Remarks - 2025	Number - 2024	Remarks - 2024
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

El-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

El-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	2.86	2.26



EI-9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-2025	FY 2023-2024
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	0	0
	c. Loans & advances (to related parties / total loans & advances)	0	0
	d. Investments (in related parties / total investments)	0	0

Leadership Indicators

LI-1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	0	0	NA

LI-2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

N/A

PRINCIPLE

2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

EI-1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	N/A
Capex	0	0	N/A

EI-2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

EI-2.b. If yes, what percentage of inputs were sourced sustainably?

N/A

EI-3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life for the following:

Category	Description
(a) Plastics (including packaging)	N/A
(b) E-waste	N/A
(c) Hazardous waste	N/A
(d) Other waste	N/A

EI-4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

N/A

Leadership Indicators

LI-1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
1	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).

S. No.	Indicate input material	Recycled or re-used input material to total material	
		FY 2024-2025	FY 2023-2024
1	0	0	0

LI-4. Of the products and packaging reclaimed at end of life of products, disclose the amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-2025			FY 2023-2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed.
Plastics (including packaging)	N/A	N/A	N/A	N/A	N/A	N/A
E-waste	N/A	N/A	N/A	N/A	N/A	N/A
Hazardous waste	N/A	N/A	N/A	N/A	N/A	N/A
Other waste	N/A	N/A	N/A	N/A	N/A	N/A

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

El-1.a. Details of measures for the well-being of employees:

	% of employees covered by										
Category	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	7748	7748	100.00%	7748	100.00%	0	0.00%	7748	100.00%	0	0.00%
Female	901	901	100.00%	901	100.00%	901	100.00%	0	0.00%	0	0.00%
Total	8649	8649	100.00%	8649	100.00%	901	100.00%	7748	100.00%	0	0.00%
					Other than permanent Employees						
Male	130	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	38	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	168	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

El-1.b. Details of measures for the well-being of workers:

Category	% of workers 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	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
				Other than permanent Workers							
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%

El-1.c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	As at March 31, 2025	As at March 31, 2024
Cost incurred on wellbeing measures as a % of total revenue of the company	0	0

El-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	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Others – please specify	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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, 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	90.29%	75.00%	NA	NA
Female	100%	85.71%	NA	NA
Total	95.15%	83.36%	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	NA
Other than Permanent Workers	NA
Permanent Employees	Yes. The employees can reach out to their reporting manager and the HR department.
Other than Permanent Employees	Yes. The employees can reach out to their reporting manager and the HR department.

EI-7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-2025			FY 2023-2024		
	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	8649	0	0.00%	7440	0	0.00%
Male	7748	0	0.00%	6696	0	0.00%
Female	901	0	0.00%	744	0	0.00%
Total Permanent Workers	0	0	0.00%	0	0	0.00%
Male	0	0	0.00%	0	0	0.00%
Female	0	0	0.00%	0	0	0.00%

EI-8. Details of training given to employees and workers:

Category	FY 2024-2025					FY 2023-2024				
	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	7878	5594	71.01%	4805	60.99%	6817	5270	77.31%	4116	60.38%
Female	939	832	88.60%	473	50.37%	788	614	77.92%	391	49.62%
Total	8817	6426	72.88%	5278	59.86%	7605	5884	77.37%	4507	59.26%
				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 workers:

Category	FY 2024-2025			FY 2023-2024		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	%(D / C)
Employees						
Male	7878	7878	100.00%	6817	6817	100.00%
Female	939	939	100.00%	788	788	100.00%
Total	8817	8817	100.00%	7605	7605	100.00%
Workers						
Male	0	0	0.0%	0	0	0.0%
Female	0	0	0.0%	0	0	0.0%
Total	0	0	0.0%	0	0	0.0%

EI-10.a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all branches and offices have CCTV cameras and fire extinguishers. Mock drills are performed periodically.

EI-10.b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Fire safety hazards are identified at periodic intervals and mock drills are conducted for emergency preparedness.

EI-10.c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

The Bank continuously monitors potential work-related hazards and takes necessary actions. In respect of any work-related incidents and potent, are reported to respective HR and Admin point of contacts by employees.

EI-10.d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

EI-11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-2025	FY 2023-2024
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Number of Permanent Disabilities	Employees	0	0
	Workers	0	0

EI-12. Describe the measures taken by the entity to ensure a safe and healthy work place.

1. The Bank has enhanced the coverage for critical illness in the Group Medical Cover.
2. Conducted Annual Health check-ups, blood donation camps, eye and dental checkup camps.
3. Organised multiple webinars on health and nutrition.
4. The Bank has also undertaken several programmes to enhance gender diversity and inclusivity, including creating awareness about the POSH Act.
5. CCTV cameras and fire extinguishers are in place at branches and offices.

EI-13. Number of Complaints on the following made by employees and workers:

	FY 2024-2025			FY 2023-2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	null	0	0	null
Health & Safety	0	0	null	0	0	null

EI-14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0.00%
Working Conditions	0.00%

EI-15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Nil

PRINCIPLE

4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators
EI-1. Describe the processes for identifying key stakeholder groups of the entity.

The Bank has its roots in micro-finance and therefore has various outreach and enablement linkages that provide insights into grassroots-level stakeholders. With regards to other stakeholders, the Bank has identified relevant key stakeholders in line with its business and corporate profile. The Corporate Social Responsibility & ESG Committee is already in place, and it is tasked with the mandate to further develop this program as may be required.

EI-2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement
1	Communities	This identifies its business model with grass root level enterprises promoted by women, underprivileged and socially backward areas, person 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



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	FY 2024-2025			FY 2023-2024		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total(C)	No. of employees / workers covered (D)	%(D / C)
Employees						
Permanent	8649	8649	100.00%	7440	7440	100.00%
Other than permanent	168	168	100.00%	165	165	100.00%
Total Employees	8817	8817	100.00%	7605	7605	100.00%
Workers						
Permanent	0	0	0.0%	0	0	0.0%
Other than permanent	0	0	0.0%	0	0	0.0%
Total Workers	0	0	0.0%	0	0	0.0%

EI-2. Details of minimum wages paid to employees, in the following format:

Category	FY 2024-2025					FY 2023-2024				
	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	8649	1675	19.37%	6974	80.63%	7440	794	10.67%	6,646	89.33%
Male	7748	1508	19.46%	6240	80.54%	6696	729	10.89%	5,967	89.11%
Female	901	167	18.53%	734	81.47%	744	65	8.74%	679	91.26%
Other than Permanent	168	2	1.19%	166	98.81%	165	5	3.03%	160	96.97%
Male	130	1	0.77%	129	99.23%	121	2	1.65%	119	98.35%
Female	38	1	2.63%	37	97.37%	44	3	6.82%	41	93.18%
	Workers									
Permanent	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other than Permanent	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%

EI-3. a. Details of remuneration/salary/wages, in the following format: Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	2550000	1	2030000
Key Managerial Personnel	4	14750086	0	0
Employees other than BoD and KMP	7738	322224	900	350214
Workers	0	0	0	0

EI-3. b. Provide information on Gross wages paid to females by the entity, in the following format:

Particulars	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	11.52%	10.77%

Note: The figures reported for the previous year have been restated to align with the revised definition of "wages" as per the Industry Standards Note on Business Responsibility and Sustainability Report (BRSR) Core released in December 2024.

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 it.

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 humans rights above all.

EI-6. Number of Complaints on the following made by employees and workers:

	FY 2024-2025			FY 2023-2024		
	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	1	0	0	3	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	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)	1	3
Complaints on POSH as a % of female employees / workers	0.12%	0.49%
Complaints on POSH upheld	0	0

Remarks: After careful evaluation and calculation, we are restating the previous year percentage.

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	0.00%
Forced/involuntary labour	0.00%
Sexual harassment	0.00%
Discrimination at workplace	0.00%
Wages	0.00%
Others – please specify	0.00%

EI-11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Assessments have not been conducted.



PRINCIPLE

6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

EI-1. Details of total energy consumption in GigaJoules (GJ), in the following format:

Parameter	FY 2024-2025	FY 2023-2024
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)	8360.43	8241.15
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	8360.43	8241.15
Total energy consumed (A+B+C+D+E+F)	8360.43	8241.15
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	3.85 GJ / Crore	4.56 GJ / Crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	79.56 GJ / \$ Crore	94.17 GJ / \$ Crore
(Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

EI-1. Indicate if any independent assessment/evaluation/assurance for energy has been conducted by an external agency. If Yes, provide the name of the agency:

No

EI-2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

EI-3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-2025	FY 2023-2024
Water withdrawal by source (in kiloliters)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	285472.00	226027.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	285472.00	226027.00
Total volume of water consumption (in kiloliters)	285472.00	226027.00
Water intensity per rupee of turnover (Water consumed / turnover)	131.49 KL / Crore	125.01 KL / Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	2716.65 KL / \$ Crore	2582.69 KL / \$ Crore
(Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity. KL /	-	-
Number of Full time Employees		

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 2024-2025	FY 2023-2024
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
(ii) To Groundwater		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
(iii) To Seawater		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
(iv) Sent to third-parties		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
(v) Others		
- No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
	0	0
Total water discharged (in kiloliters)	0.00	0.00

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 in the remark section	0	0	0

EI-6. Indicate if any independent assessment/evaluation/assurance for Air emissions has been conducted by an external agency. If Yes, provide the name of the agency:

N/A



EI-7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2) in MTCO₂e, in the following format:

Parameter	Unit	FY 2024-2025	FY 2023-2024
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	0	0
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	1662.79	1625.34
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	TCO₂e / rupee of turnover	0.7659 TCO₂e / Crore	0.8989 TCO₂e / \$ Crore
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	TCO₂e / rupee of turnover	15.8237 TCO₂e / \$ Crore	18.5719 TCO ₂ e / \$ Crore
Total Scope 1 and Scope 2 emission intensity in terms of physical output	TCO₂e / rupee of turnover	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	TCO₂e /	-	-

EI-7. Indicate if any independent assessment/evaluation/assurance for GHG Emissions (Scope 1 and 2) has been conducted by an external agency. If Yes, provide the name of the agency: -

N/A

EI-8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No

EI-9 Provide details related to waste management by the entity for the Current Financial Year:

Parameter	FY 2024-2025	FY 2023-2024
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste(B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A + B + C + D + E + F + G + H)	0	0
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output (Total Waste Generated / Physical Output)	-	-
Waste intensity (optional) the relevant metric may be selected by the entity	-	-
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 Plastic Waste Recycled, Re-used and other recovery operations	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 E-Waste Recycled, Re-used and other recovery operations	0.00	0.00
Category of waste - Bio-medical waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total Bio-medical Waste Recycled, Re-used and other recovery operations	0.00	0.00

Parameter	FY 2024-2025	FY 2023-2024
Category of waste - Construction and demolition waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total Construction Waste Recycled, Re-used and other recovery operations	0.00	0.00
Category of waste - Battery waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total Battery Waste Recycled, Re-used and other recovery operations	0.00	0.00
Category of waste - Radioactive waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total Radioactive Waste Recycled, Re-used and other recovery operations	0.00	0.00
Category of waste - Other Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total Other Hazardous Waste Recycled, Re-used and other recovery operations	0.00	0.00
Category of waste - Other Non-Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total Other Non-hazardous Waste Recycled, Re-used and other recovery operations	0.00	0.00
Total	0.00	0.00
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 Plastic Waste Incineration, Landfilling and other disposal operations	0.00	0.00
Category of waste - E-Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total E-waste Waste Incineration, Landfilling and other disposal operations	0.00	0.00
Category of waste - Bio-medical Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total Bio-medical Waste Incineration, Landfilling and other disposal operations	0.00	0.00
Category of waste - Construction and demolition waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total Construction Waste Incineration, Landfilling and other disposal operations	0.00	0.00
Category of waste - Battery		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total Battery Waste Incineration, Landfilling and Other disposal operations	0.00	0.00
Category of waste - Radioactive		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total Radioactive Waste Incineration, Landfilling and Other disposal operations	0.00	0.00



Parameter	FY 2024-2025	FY 2023-2024
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total Other Hazardous Waste Incineration, Landfilling and Other disposal operations	0.00	0.00
Category of waste - Other Non-hazardous waste generated		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total Other Non-hazardous Waste Incineration, Landfilling and Other disposal operations	0.00	0.00
Total	0.00	0.00

EI-9. Indicate if any independent assessment/evaluation/assurance for Waste has been conducted by an external agency. If Yes, provide the name of the agency:

N/A

EI-10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Bank has implemented digital onboarding for customers across both its deposit and asset segments, thereby reducing the reliance on paper. At the Corporate Office, a facility is available for employees to safely dispose of electronic waste, such as used batteries. Additionally, the Bank has replaced plastic bottles and paper cups with glass water bottles and cups.

EI-11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	N/A	N/A	N/A

EI-12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	N/A	N/A	N/A	N/A	N/A	N/A

EI-13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	N/A	N/A	N/A	N/A

PRINCIPLE
7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators
EI-1.a. Number of affiliations with trade and industry chambers/ associations.

4

EI-1.b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National/International)
1	Indian Banks Association	National
2	FIMMDA	National
3	MFIN	National
4	ASFBI	National

EI-2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of authority	Brief of the case	Corrective action taken
1	0	0	0

Remarks: NA. 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 favor of the Bank. The Bank's Management contributes at industry fora for 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	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

EI-2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the Financial Year (In INR)
1	0	0	0	0	0	0

EI-3. Describe the mechanisms to receive and redress grievances of the community.

The Bank has mentioned in the customer service SOP that the customer may walk up to branch or contact the call centre to report any complaint. The Officer at the Branch or Call Centre would understand the exact complaint and raise a Service Request for further follow up and timely closure. Once resolution is received, the customer is informed and the complaint closed in the system post customer confirmation.

EI-4. Input material sourced from suppliers (by value):

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	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	8.65%	5.45%
Semi-Urban	22.46%	19.78%
Urban	27.71%	19.78%
Metropolitan	41.23%	53.33%

Leadership Indicators

LI-1. If any Social Impact Assessments have been reported in EI-1, please provide details of actions taken to mitigate any negative social impacts identified:

S. No.	Details of negative social impact identified	Corrective action taken
1	0	0

LI-2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	0	0	0

LI-3.a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

- N/A

LI-3.b. From which marginalized /vulnerable groups do you procure?

- N/A

LI-3.c. What percentage of total procurement (by value) does it constitute?

- N/A

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 an effective grievance redressal mechanism in place, including a toll-free number through which customers can lodge complaints or share feedback. A dedicated customer service team is responsible for addressing these complaints and feedback. In addition to visiting branches, customers can also use internet banking and mobile banking applications to submit their queries, complaints, and feedback.

EI-2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0.00%
Safe and responsible usage	0.00%
Recycling and/or safe disposal	0.00%

Remarks: Not Applicable as per the nature of the business The Bank believes that it has a critical role to carry out in furthering financial inclusion in the nation to accomplish inclusive and equitable growth. the Bank caters to those who do not have access to formal system of finance and helps such unbanked and underbanked people by offering loan products such as Joint Liability Group loans, loans for , Affordable housing, Savings Accounts, Recurring Deposits, etc. The Bank principally deals with financially vulnerable sections of the society and hence it is even more mindful and responsible in its lending practices.

EI-3. Number of consumer complaints in respect of the following:

	FY 2024-2025			FY 2023-2024		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	No complaints found	0	0	Nil
Advertising	48	2	Social media/ Twitter/Website portal	0	0	Nil
Cyber-security	10	4	FRM/ NPCI	0	0	Nil
Delivery of essential services	5212	174	Account related complaints	0	0	Nil
Restrictive Trade Practices	Nil	Nil	No complaints found	0	0	Nil
Unfair Trade Practices	Nil	Nil	No complaints found	0	0	Nil
Other	6534	123	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.

Yes, an internal policy has been established. Weblink not available

Remarks: The Bank follows a highly structured and regulated framework on cyber security and ensures that cyber security related risks (example data privacy) as also safety and security of banking operations for customers via internet banking or branch banking is optimally secure and safe.

EI-6. Provide details of any corrective actions taken or underway on issues relating to any of the following: i. Advertising; ii. Delivery of essential services; iii. Cyber security and data privacy of customers; iv. Re-occurrence of instances of product recalls V. penalty / action taken by regulatory authorities on safety of products / services.

Not applicable, there have been no instances related to advertising, delivery of essential services, cyber security and customer data privacy, recurrence of product recalls, or penalties/actions imposed by regulatory authorities concerning the safety of products or services.

EI-7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

0

c. Impact, if any, of the data breaches

N/A

Independent Auditor's Report

To the Members of
Suryoday Small Finance Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Suryoday Small Finance Bank Limited** ("the Bank"), which comprise the Balance Sheet as at March 31, 2025, Profit and Loss account, and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulations 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 prescribed under section 133 of the Act read with Companies (Accounting Standard) Rules, 2021 as amended and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2025, its profits and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those 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.

Emphasis of Matter:

We draw attention to Note No 20 (z) of the Financial Statements on provision on advance covered by Credit Guarantee Fund for Micro Units (CGFMU) where upto last year, The Bank was making provisions on full value of Loan as per its Internal policy and from current year has made provision as permitted by RBI Guidelines, which has resulted in lesser provision for the year ended by an amount ₹ 17,602, in respect of loans that became NPA during the Year. CRAR of the Bank as at March 31, 2025 is 25.83% instead of 22.03%, on account of application of Risk Weights as per NCAF issued by RBI guidelines, only on unguaranteed portion of advances under CGFMU scheme. Our opinion is not modified in this aspect

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

Identification of Non-Performing Assets ("NPA") and Provisioning and write off for Loans and Advances

Total Loans and Advances (Net of NPA Provision, floating provision, securitization and IBPC) as on March 31, 2025: ₹ 9,97,43,499 ('000)

Gross NPA as on March 31, 2025: ₹ 73,38,370 ('000)

Provision for NPA as on March 31, 2025 (Excluding floating provision): ₹ 23,97,549 ('000)

(Refer Schedule 9 and Schedule 18 (4.1) to the financial statement)

Key Audit Matter

The Reserve Bank of India's ("RBI") guidelines on Income recognition and asset classification ("IRAC") prescribe the prudential norms for identification and classification of non-performing assets ("NPA") and the minimum provision required for such assets.

The Bank is required to have Board approved policy as per IRAC guidelines for NPA identification and provision.

How our audit addressed the key audit matter

Tested the design and operating effectiveness of key controls (including application controls) over identification of NPAs, provisions thereof and the valuation of securities.

Testing of Application controls included testing of reports and system reconciliations as at the year end.

Review of controls over calculations of provision of non-performing advances, basis of provisioning in accordance with the Board approved policy.

Key Audit Matter

The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.

The provision against advances is based on criteria such as past due status, out of order status etc. The provisions in respect of such NPAs are made based on ageing and classification of NPAs, recovery estimates, value of security and other qualitative factors and is subject to minimum provisioning levels prescribed by the RBI and approved policy of the bank in this regard. In addition to this, for restructured accounts, provision is made for erosion/ diminution in fair value of restructured loans, in accordance with the RBI guidelines. Further, NPA classification is made borrower wise whereby if one facility of the borrower becomes an NPA then all facilities of such a borrower will be treated as an NPA.

Additionally, the Bank makes provisions on exposures that are not classified as NPAs including identified advances or group advances that can potentially slip into NPA. These are part of standard asset provision.

The Management of the Bank also made an assessment of the impact on borrowers account due to Covid -19 pandemic and in line with the COVID 19 Regulatory Package announced by the RBI in respect of moratorium and restructuring of advances as relief measures to the borrowers.

Since the identification of NPAs and provisioning for advances require significant level of estimation and given its significance to the overall audit, we have ascertained identification and provisioning for NPAs as a key audit matter.

Information Technology ('IT') systems and controls impacting financial reporting

The Bank's IT architecture to process key financial accounting and reporting is complex involving number of independent and interdependent IT systems used in the operations of the Bank, and IT controls to process significant transactions volumes at numerous locations.

As such there is high reliability on IT systems, appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.

The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter.

How our audit addressed the key audit matter

Performed substantive procedures as listed below:

- For sample borrowers, assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of overdue ageing, assessment of borrower level NPA identification and verification of applicable provision rates as per IRAC norms and Bank's Policy;
- Selected samples of performing loan accounts to assess, independently, whether such loan accounts should be classified as NPA;
- For selected samples, reviewed the securities valuation performed by the Bank;
- Considered the data shared by Bank regarding accounts reported as Special Mention Accounts ("SMA") in RBI's central repository of information on large credits (CRILC) to identify stress.
- Selected samples for standard and overdue accounts to assess compliance with the RBI Circulars on 'COVID-19 – Regulatory Package' and 'COVID-19 Regulatory Package - Asset Classification and Provisioning';
- Selected sample of accounts restructured under RBI Circulars on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances' and 'Resolution Framework for Covid-19-related Stress' to assess compliance with the RBI directions;
- Assessed the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.

Our Audit procedures with respect to this matter included: We used our internal IT team to perform audit procedures to assess IT systems and controls over financial reporting which included the following:

- 1) General IT controls design, observation and operation:
 - Obtain an understanding of the IT infrastructure and IT systems
 - Testing the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations.
- 2) User access controls operation:
 - Reviewed processes followed by the management in respect of access rights granted to applicants relevant to financial accounting and reporting systems.
 - Assessing the operating effectiveness of controls over granting, removal and appropriateness of access rights. Other areas that were assessed under the IT control environment, included password and security related policies were also part of our audit procedures



Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the information in the Director's Report including annexures to the Director's report and the Annual Report but does not include the financial statements and our Auditor's report thereon. The Director's Report and Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's Report and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India and provisions of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the Reserve Bank of India from time to time (RBI Guidelines) as applicable to the Bank. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and the Board of Directors are 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.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 of the Bank.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 and are therefore, the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Financial Statements of the Bank for the year ended March 31, 2024, were audited by previous statutory auditor whose report dated May 09, 2024 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act and relevant rules issued thereunder.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;
 - b. The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank.
- c. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purpose of our audit are available therein. During the course of our audit we have visited 34 branches to examine the books of account and other records maintained at the branches and performed relevant audit procedures.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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 Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and relevant rules made thereunder 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 as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls with reference to financial statements.
 - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the entity being a Banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 12 and Schedule 18 (20.b) to the financial statements;
- ii. The Bank has not entered into any long-term contracts nor entered into any derivative contracts as at March 31, 2025 and accordingly no provision is required to be made;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
- iv. a) Based on the information and explanation provided and as represented to us by the management to the best of its knowledge and belief, other than 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 share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) Based on the information and explanation provided and as represented to us by the management to the best of its knowledge and belief, other than 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 ("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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Bank has not declared or paid any dividend during the year ended 31 March 2025.
- vi) Based on our examination which included test checks, the Bank has used various accounting software systems for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail feature of prior year(s) has been preserved by the Bank as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

For **Mukund M. Chitale & Co.**
Chartered Accountants
FRN: 106655W

Nilesh RS Joshi
Partner

Place: Mumbai
Date: May 08, 2025

Membership No.
UDIN: 25114749BMILSU6215

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SURYODAY SMALL FINANCE BANK LIMITED

[Referred to in paragraph 3(f) under '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 March 31, 2025]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Suryoday Small Finance Bank Limited ("the Bank") as at March 31, 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Bank's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act and the RBI.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial

statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukund M. Chitale & Co.**
Chartered Accountants
FRN: 106655W

Nilesh RS Joshi
Partner

Place: Mumbai
Date: May 08, 2025

Membership No.
UDIN: 25114749BMILSU6215

Balance Sheet

as at March 31, 2025

(₹ in '000)

	Schedule	As at March 31, 2025	As at March 31, 2024
CAPITAL AND LIABILITIES			
Capital	1	10,62,848	10,62,007
Reserves and Surplus	2	1,82,08,061	1,69,87,574
Deposits	3	10,57,96,110	7,77,72,675
Borrowings	4	2,71,02,868	2,44,29,800
Other liabilities and provisions	5	39,73,969	35,24,791
TOTAL		15,61,43,856	12,37,76,847
ASSETS			
Cash and balances with Reserve Bank of India	6	1,46,61,423	81,37,811
Balances with banks and money at call and short notice	7	24,32,425	36,62,930
Investments	8	3,13,74,843	2,59,92,968
Advances	9	9,97,43,499	8,07,79,700
Fixed Assets	10	29,01,356	16,87,931
Other Assets	11	50,30,310	35,15,506
TOTAL		15,61,43,856	12,37,76,847
Contingent liabilities	12	2,07,636	43,755
Bills for collection		-	-
Significant accounting policies and Notes to accounts	17 & 18		

As per our report of even date

For **Mukund M. Chitale & Co.**
 Chartered Accountants
 Firm Registration No: 106655W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
 Partner
 Membership No: 114749

Krishna Prasad Nair
 Chairperson
 DIN-02611496

Baskar Babu Ramachandran
 Managing Director and
 Chief Executive Officer
 DIN-02303132

Vivek Karve
 Director
 DIN-06840707

Place: Navi Mumbai
 Date: May 08, 2025

Krishna Kant Chaturvedi
 Company Secretary

Kanishka Chaudhary
 Chief Financial Officer



Profit and Loss Account

for the year ended March 31, 2025

(₹ in '000)

	Schedule	Year ended March 31, 2025	Year ended March 31, 2024
I. INCOME			
Interest earned	13	1,95,37,494	1,58,87,008
Other income	14	21,72,511	21,93,844
TOTAL		2,17,10,005	1,80,80,852
II. EXPENDITURE			
Interest expended	15	84,76,107	62,64,687
Operating expenses	16	93,41,882	72,79,510
Provisions and contingencies		27,42,370	23,77,067
TOTAL		2,05,60,359	1,59,21,264
III. PROFIT			
Net profit for the year		11,49,646	21,59,588
Net balance in profit and loss account brought forward		31,79,169	15,13,877
TOTAL		43,28,815	36,73,465
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		2,87,412	5,39,897
Transfer (from)/ to Investment Fluctuation Reserve		(70,464)	(45,601)
Transfer to Capital Reserve		42,397	-
Balance carried over to Balance Sheet		40,69,470	31,79,169
TOTAL		43,28,815	36,73,465
V. EARNINGS PER EQUITY SHARE (Face value of ₹ 10 per share)			
Basic	18	10.82	20.34
Diluted	18	10.75	20.15
Significant accounting policies and Notes to accounts	17 & 18		

As per our report of even date

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration No: 106655W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
Partner
Membership No: 114749

Krishna Prasad Nair
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and
Chief Executive Officer
DIN-02303132

Vivek Karve
Director
DIN-06840707

Place: Navi Mumbai
Date: May 08, 2025

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2025

(₹ in '000)

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Cash flows from operating activities		
Net profit before tax	14,38,257	28,75,728
Adjustments for:		
Depreciation on fixed assets	5,55,910	5,13,463
Provision for non performing assets	10,15,229	5,80,588
Provision for standard assets	91,334	53,821
Write off of advances	15,66,707	7,86,585
Reversal of provision on depreciation on investment	(8,82,906)	(1,24,873)
Other provision	(11,734)	(48,190)
(Profit) on sale of securities	(73,158)	-
(Profit)/Loss on sale of fixed assets	(512)	(80)
Amortisation of premium on held to maturity investment	30,889	28,923
Employee stock option expenses	44,453	37,584
Floating provision	2,46,416	1,58,514
Provision on Security receipts (Reversal)	(55,066)	2,62,030
	39,65,819	51,24,093
Adjustments for:		
Decrease in investments	44,36,532	15,65,167
(Increase) in advances	(2,17,92,152)	(2,21,50,270)
Increase in deposits	2,80,23,435	2,61,05,476
(Increase) in others assets	(12,12,772)	(12,20,885)
Increase in other liabilities and provisions	3,69,581	66,418
	98,24,624	43,65,906
Direct taxes paid (net of refunds)	(5,90,642)	(1,42,686)
Net cash flow from operating activities	1,31,99,801	93,47,313
Cash flow from investing activities		
Purchase of fixed assets (Including capital work in progress)	(17,69,324)	(5,56,697)
Proceeds from sale of fixed assets	539	158
Investment in fixed deposits	-	(54,678)
Net investment in banking book	(86,93,339)	(27,37,312)
Increase in investment on transition	(17,109)	-
Reserve on account of transfer of securities	17,109	-
Security receipts redeemed	(1,27,761)	7,14,962
Net cash used in investing activities	(1,05,89,885)	(26,33,567)
Cash flow from financing activities		
Proceeds from issue of share capital (inclusive of issue expense)	10,123	5,133
(Repayment of) / Proceeds from borrowings	26,73,068	(32,24,339)
Net cash flow (used in)/from financing activities	26,83,191	(32,19,206)
Net increase/(decrease) in cash and cash equivalents	52,93,107	34,94,540
Cash and cash equivalents at the beginning of the year	1,17,36,366	82,41,826



Cash Flow Statement

for the year ended March 31, 2025

(₹ in '000)

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Cash and cash equivalents at the end of the year (Refer note below)	1,70,29,473	1,17,36,366
Note:		
Components of cash and cash equivalents:		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	1,46,61,423	81,37,811
Balances with banks in current Accounts (Refer Schedule 7 I (i) (a))	3,18,050	3,83,242
Balances with banks in other Deposit Accounts (Refer Schedule 7 I (i) (b))	2,50,000	-
Money at call and short notice (Refer Schedule 7 I (ii))	18,00,000	32,15,313
Cash and cash equivalents at the end of the year	1,70,29,473	1,17,36,366

As per our report of even date

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Registration No: 106655W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
Partner
Membership No: 114749

Krishna Prasad Nair
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and
Chief Executive Officer
DIN-02303132

Vivek Karve
Director
DIN-06840707

Place: Navi Mumbai
Date: May 08, 2025

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Schedules forming part of the Balance Sheet

as at March 31, 2025

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 1 - CAPITAL

	As at March 31, 2025	As at March 31, 2024
Authorised Capital		
150,000,000 (March 31, 2024: 150,000,000) equity shares of ₹ 10 each	15,00,000	15,00,000
Issued, Subscribed and Paid-up Capital		
106,284,824 (March 31, 2024: 106,200,698) equity shares of ₹ 10 each fully paid up [Refer note -18 (1.a)]	10,62,848	10,62,007
	10,62,848	10,62,007

SCHEDULE 2 - RESERVES AND SURPLUS

	As at March 31, 2025	As at March 31, 2024
I. Statutory Reserve¹		
Opening balance	14,33,750	8,93,853
Addition during the period [Refer note - 18(1)(c)(i)]	2,87,412	5,39,897
Total	17,21,162	14,33,750
II. Capital Reserve		
Opening balance	13,857	13,857
Addition during the period [Refer note - 18(1)(c)(ii)]	42,397	-
Total	56,254	13,857
III. Share Premium		
Opening balance	1,18,72,463	1,18,65,295
Addition during the period	9,282	4,713
Transfer from Employee Stock Options Reserve on exercise of stock options	3,782	2,455
Total	1,18,85,527	1,18,72,463
IV. General Reserve		
Opening balance	75,467	53,549
General Reserve on Investment transition	17,109	-
Addition during the period	21,866	21,918
Total	1,14,442	75,467
V. Employee Stock Options Reserve		
Opening balance	1,01,008	87,796
Employee compensation expense for the period	44,450	37,585
Transfer to Share Premium Account/Share Capital on exercise of stock options	(3,782)	(2,455)
Transfer to General Reserve for Non- exercise of ESOP's	(21,866)	(21,918)
Total	1,19,810	1,01,008
VI. Investment Reserve		
Opening balance	-	-
Addition during the period	-	-
Total	-	-
VII. Investment Fluctuation Reserve²		
Opening balance	3,11,860	3,57,461
Addition during the period [Refer note - 18(1)(c)(iii)]	(70,464)	(45,601)
Total	2,41,396	3,11,860
VIII. AFS Reserve		
Opening balance	-	-
Addition during the period	-	-
Total	-	-
IX. Balance in Profit and Loss Account		
Balance brought from Profit and Loss	40,69,470	31,79,169
	40,69,470	31,79,169
Total (I+II+III+IV+V+VI+VII+VIII+IX)	1,82,08,061	1,69,87,574



Schedules forming part of the Balance Sheet

as at March 31, 2025

(All amounts are in Indian Rupees in thousands unless otherwise stated)

- 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).
- 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, 2025	As at March 31, 2024
A. I. Demand Deposits		
i) From banks	9,02,779	9,61,198
ii) From others	74,18,260	55,04,055
Total	83,21,039	64,65,253
II. Savings Bank Deposits	1,37,95,989	91,92,265
III. Term Deposits		
i) From banks	1,27,61,253	1,11,44,089
ii) From others	7,09,17,829	5,09,71,068
Total	8,36,79,082	6,21,15,157
Total (I+II+III)	10,57,96,110	7,77,72,675
B. I. Deposits of branches in India	10,57,96,110	7,77,72,675
II. Deposits of branches outside India	-	-
Total (I+II)	10,57,96,110	7,77,72,675

SCHEDULE 4 - BORROWINGS

	As at March 31, 2025	As at March 31, 2024
I. Borrowings in India*		
i) Reserve Bank of India	25,00,000	75,00,000
ii) Other banks	-	-
iii) Other institutions and agencies#	2,46,02,868	1,69,29,800
Total	2,71,02,868	2,44,29,800
II. Borrowings outside India	-	-
Total (I+II)	2,71,02,868	2,44,29,800

*Secured Borrowings is ₹ 2,229 crores (March 31, 2024: ₹ 2,343 crores) other than Tri-Party Repo and Repo.

#Includes Subordinate debt of ₹ 100 crores (March 31, 2024: ₹ 100 crores) which is part of Tier 2 capital.

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

	As at March 31, 2025	As at March 31, 2024
I. Bills payable	2,51,801	3,32,917
II. Inter - office adjustments (net)	0.01	0.01
III. Interest accrued	1,88,551	8,59,315
IV. Others (including provisions)		
(i) Contingent provisions against standard assets	3,78,945	2,87,611
(ii) Others liabilities [Refer note - 18(20)(g)]	31,54,672	20,44,948
Total (I+II+III+IV)	39,73,969	35,24,791

Schedules forming part of the Balance Sheet

as at March 31, 2025

(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, 2025	As at March 31, 2024
I. Cash in hand	1,17,402	1,41,079
II. Balances with Reserve Bank of India		
i) in Current account	34,74,021	27,56,732
ii) in Other accounts	1,10,70,000	52,40,000
Total (I+II)	1,46,61,423	81,37,811

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

	As at March 31, 2025	As at March 31, 2024
I. In India		
i) Balances with banks		
a) In Current accounts	3,18,050	3,83,242
b) In Other deposit accounts	3,14,375	64,375
Total	6,32,425	4,47,617
ii) Money at call and short notice		
a) With banks	8,00,000	15,16,360
b) With other institutions	10,00,000	16,98,953
Total	18,00,000	32,15,313
Total (i+ii)	24,32,425	36,62,930
II. Outside India		
i) In Current account	-	-
ii) In other Deposit account	-	-
iii) Money at call and short notice	-	-
Total	-	-
Total (I+II)	24,32,425	36,62,930

SCHEDULE 8 - INVESTMENTS

	As at March 31, 2025	As at March 31, 2024
A. Investments in India		
i) Government securities	2,80,18,647	2,52,35,156
ii) Other approved securities	-	-
iii) Shares	20,720	7,702
iv) Debentures and bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Certificate of Deposit, Security Receipts)	33,35,476	7,50,110
Total	3,13,74,843	2,59,92,968
B. Investments outside India		
i) Government securities	-	-
ii) Subsidiaries and/or joint ventures	-	-
iii) Others (equity shares and bonds)	-	-
Total	-	-
Total (A+B)	3,13,74,843	2,59,92,968
C. Investments		
i) Gross value of investments		
a) In India	3,15,81,806	2,62,58,443
b) Outside India	-	-
Total	3,15,81,806	2,62,58,443



Schedules forming part of the Balance Sheet

as at March 31, 2025

(All amounts are in Indian Rupees in thousands unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
ii) Provision for depreciation		
a) In India	2,06,963	2,65,475
b) Outside India	-	-
Total	2,06,963	2,65,475
iii) Net value of investments		
a) In India	3,13,74,843	2,59,92,968
b) Outside India	-	-
Total (i-ii)	3,13,74,843	2,59,92,968

SCHEDULE 9 - ADVANCES*

	As at March 31, 2025	As at March 31, 2024
A		
i) Bills purchased and discounted	25,93,718	-
ii) Cash credits, overdrafts and loans repayable on demand	36,82,430	16,43,115
iii) Term loans	9,34,67,351	7,91,36,585
Total	9,97,43,499	8,07,79,700
B		
i) Secured by tangible assets	4,73,32,506	3,32,27,660
ii) Covered by Bank / Government Guarantees	1,15,27,706	-
iii) Unsecured	4,08,83,287	4,75,52,040
Total	9,97,43,499	8,07,79,700
C. I. Advances in India		
i) Priority sectors [Refer note - 18(4)(b)]	6,84,14,361	3,62,00,941
ii) Public sector	-	-
iii) Banks	6,145	2,080
iv) Others	3,13,22,993	4,45,76,679
Total	9,97,43,499	8,07,79,700
C. II. Advances outside India		
i) Due from banks	-	-
ii) Due from others	-	-
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c) Others	-	-
Total	-	-

*Advances are net of provisions

SCHEDULE 10 - FIXED ASSETS

	As at March 31, 2025	As at March 31, 2024
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
ii) Depreciation to date		
As at March 31 of the preceding year	15,784	14,090
Charge for the year	784	1,694
Deductions during the year	-	-
Total	16,568	15,784
Net Block (i-ii)	15,304	16,088

Schedules forming part of the Balance Sheet

as at March 31, 2025

(All amounts are in Indian Rupees in thousands unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
II Other fixed assets (including furniture & fixtures and software)		
i) Gross Block		
At cost on March 31 of the preceding year	29,62,402	25,60,486
Additions during the year	5,90,231	4,03,793
Deductions during the year	(36,846)	(1,877)
Total	35,15,787	29,62,402
ii) Depreciation to date		
As at March 31 of the preceding year	14,56,724	9,46,755
Charge for the year	5,55,127	5,11,769
Deductions during the year	(36,818)	(1,800)
Total	19,75,033	14,56,724
Net Block (i-ii)	15,40,754	15,05,677
III Capital work in progress	13,45,298	1,66,166
Total (I+II+III)	29,01,356	16,87,931

SCHEDULE 11 - OTHER ASSETS

	As at March 31, 2025	As at March 31, 2024
I. Inter - office adjustments (net)	-	-
II. Interest accrued	14,78,491	12,24,134
III. Tax paid in advance/tax deducted at source (net of provision for tax)	1,43,281	-
IV. Stationery and stamps	-	292
V. Deferred tax assets (net)	6,73,044	5,08,802
VI. Others [Refer note - 18(20)(g)]	27,35,494	17,82,278
Total	50,30,310	35,15,506

SCHEDULE 12 - CONTINGENT LIABILITIES

	As at March 31, 2025	As at March 31, 2024
I. Claims against the bank not acknowledged as debts	17,147	43,029
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents :	-	-
(a) In India	-	-
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable	1,90,489	726
Total	2,07,636	43,755



Schedules forming part of the Profit & Loss Account

as at March 31, 2025

(All amounts are in Indian Rupees in thousands unless otherwise stated)

SCHEDULE 13 - INTEREST EARNED

	Year ended March 31, 2025	Year ended March 31, 2024
I. Interest/discount on advances/bills	1,73,08,261	1,39,45,832
II. Income on investments	19,86,231	18,32,192
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2,43,002	1,08,984
IV. Others	-	-
Total	1,95,37,494	1,58,87,008

SCHEDULE 14 - OTHER INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
I. Commission, exchange and brokerage	15,99,477	17,63,294
II. Profit/(Loss) on sale of investments (net)	81,250	26,966
III. Profit/(Loss) on sale of fixed assets (net)	539	80
IV. Miscellaneous income [Refer note - 18(20)(f)(i)]	4,91,245	4,03,504
Total	21,72,511	21,93,844

SCHEDULE 15 - INTEREST EXPENDED

	Year ended March 31, 2025	Year ended March 31, 2024
I. Interest on deposits	67,19,501	43,86,998
II. Interest on Reserve Bank of India/ inter-bank borrowings	2,86,502	4,56,943
III. Others	14,70,104	14,20,746
Total	84,76,107	62,64,687

SCHEDULE 16 - OPERATING EXPENSES

	Year ended March 31, 2025	Year ended March 31, 2024
I. Payments to and provisions for employees	44,42,265	36,08,187
II. Rent, taxes and lighting	5,99,151	4,38,045
III. Printing and stationery	53,634	59,568
IV. Advertisement and publicity	59,586	28,233
V. Depreciation on Bank's property	5,55,910	5,13,463
VI. Director's fees/remuneration, allowances and expenses	17,355	11,772
VII. Auditors' fees and expenses	9,049	11,198
VIII. Law charges	51,887	31,046
IX. Postage, Telegrams, Telephones, etc.	93,315	86,451
X. Repairs and maintenance	8,39,171	6,48,248
XI. Insurance	1,80,656	1,36,382
XII. Other expenditure (includes professional fees) [Refer note - 18(20)(f)(ii)]	24,39,903	17,06,918
Total	93,41,882	72,79,510

Schedules of the Financial Statements

as at March 31, 2025

(All amounts are in Indian Rupees in thousands unless otherwise stated)

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 710 banking outlets as on March 31, 2025.

The Bank is primarily engaged in extending micro credit to economically weaker section who are otherwise unable to access finance from the mainstream banking channels. The Bank broadly follows the Grameen model with suitable adaptations using the Joint Liability Groups (JLG) framework, where each member of the group guarantees the loan repayment of the other members of the group. The Bank also provides finance for Individual unsecured loans (Vikas Loans), mortgage loans, commercial vehicles, loans to micro, small and medium enterprises and loans to non-banking finance companies (NBFCs).

2. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time (RBI guidelines), Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016, in so far as they apply to banks.

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, and the differences between the actual results and the estimates are recognised prospectively in which actuals are ascertained. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

3. Significant accounting policies (Contd.)

A. Investments

Classification:

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into "Available for Sale" ('AFS'), "Fair Value Through Profit & Loss (FVTPL)/ Held for Trading" ('HFT'), and "Held to Maturity" ('HTM') categories (hereinafter called "categories"). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines.

Under each of these categories, investments are further classified under six groups (hereinafter called "groups") – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

Purchase and sale transactions` in central and state government securities are recorded under 'Settlement Date' of accounting.

The Bank follows Settlement date accounting for purchase and sale of investments in accordance with RBI Guidelines.

Bank categorizes the investment portfolio under AFS and FVTPL into three fair value hierarchies viz. Level 1, Level 2, and Level 3 as defined in the RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023.

Level 1: Level 1 inputs are quoted prices in active markets for identical instruments that the bank can access as on the measurement date.

Level 2: Level 2 inputs are other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs.

Basis of classification:

Investments which the Bank intends to hold till maturity with the objective to collect the contractual cash flows are classified as HTM securities. The contractual terms give rise to cash flows that are Solely Payments of Principal and Interest (SPPI criterion) on principal outstanding on the specified dates.

Investments which are acquired with the objective that is achieved by both, collecting contractual cash flows and selling securities are classified under AFS



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(All amounts are in Indian Rupees in thousands unless otherwise stated)

category and meeting SPPI criteria. Also, provided that on initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading.

Fair Value through Profit and Loss (FVTPL): FVTPL is a residual category, thus securities that do not qualify for inclusion in HTM or AFS would be classified under FVTPL. Held for Trading (HFT), which is a sub-category of Fair Value through Profit and Loss (FVTPL).

Recognition and Measurement

Initial Recognition

All investments are measured at fair value on initial recognition.

In respect of government securities acquired through auction (including devolvement), switch operations and open market operations (OMO) conducted by the RBI, the price at which the security is allotted shall be the fair value for initial recognition purposes.

Brokerage, commission, etc. and broken period interest on debts instruments are recognised in Statement of profit or loss and are not included in the cost of acquisition.

Day 1 Gain/loss on initial recognition: A day 1 gain or loss arise on initial recognition of an investment, due to the difference between the fair value and the acquisition cost. Any Day 1 gain/ loss is recognised in the Profit and Loss Account, under Schedule 14: 'Other Income' within the subhead 'Profit on revaluation of investments' or 'Loss on revaluation of investments'.

Any Day 1 loss arising from Level 3 investments is recognised immediately.

In the case of debt instruments (Level 3), the Day 1 gain shall be amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain shall be set aside as a liability until the security is listed or derecognised.

Subsequent measurement

HTM

Securities held in HTM is carried at cost and is not marked to market (MTM) after initial recognition.

Any discount or premium on the securities under HTM is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

AFS

Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

The valuation gains and losses across all performing investments, irrespective of classification (i.e., Government securities, Other approved securities, Bonds and Debentures, etc.), held under AFS is aggregated. The net appreciation or depreciation is directly credited or debited to a reserve named AFS Reserve without routing through the Profit & Loss Account.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments shall not be transferred from AFS-Reserve to the Profit and loss A/c.

FVTPL

The securities held in FVTPL is fair valued and the net gain or loss arising on such valuation is directly credited or debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL is fair valued on a daily basis whereas other securities in FVTPL is fair valued at least on a quarterly, if not on a more frequent basis.

Any discount or premium on the acquisition of debt securities under FVTPL is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

Reclassification between categories

Reclassifications of investments between categories, if any are considered in accordance with the extant RBI guidelines with the approval of the Board of Directors and prior approval of the Department of Supervision (DoS), RBI:

If a bank is permitted to reclassify its investment portfolio, it applies the reclassification prospectively from the reclassification date. The reclassification date is to be the first day of the first reporting period following the supervisory permission allowing reclassification of financial asset.

Following is the accounting treatment is to be as given at the time of reclassification of investments from one category to another category:

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- a) Reclassification from HTM to AFS is made at fair value. The fair value measured at the reclassification date is to be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and the previous carrying value is to be recognised in AFS-Reserve.
- b) Reclassification from HTM to FVTPL is made at fair value. The fair value measured at the reclassification date is to be the revised carrying value. Any gain or loss arising from a difference between the revised carrying value and previous carrying value of the investments is to be recognised in the Profit and Loss Account under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
- c) Reclassification from AFS to HTM is made at its fair value at the reclassification date. However, the cumulative gain/loss previously recognised in the AFS-Reserve is to be withdrawn therefrom and adjusted against the fair value of the investments at the reclassification date to arrive at the revised carrying value. Thus, the revised carrying value is to be the same as if the bank had classified the investment in HTM ab initio itself.
- d) Transfer from AFS to FVTPL is made at fair value and The cumulative gain or loss previously recognised in AFS-Reserve is to be withdrawn therefrom and recognized in the Profit and Loss Account, under Item (III): 'Profit on revaluation of investments' under Schedule 14: 'Other Income'.
- e) Transfer from FVTPL to HTM/AFS is made at carrying value which represents fair value at the reclassification date. Difference between the book value after amortization and Fair value on the reclassification date is to be booked under P/L on Portfolio Shifting revaluation.

Disposal of Investments

Profit/Loss on sale of investments in HTM, AFS and FVTPL is recognised in the Statement of profit or Loss. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is appropriated from Statement of Profit and Loss to "Capital Reserve" in accordance with the RBI Guidelines.

Upon sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS-Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account under item II Profit on sale of investments under Schedule 14-Other Income.

In any financial year, the carrying value of investments sold out of HTM does not exceed five per cent of the opening carrying value of the HTM portfolio (Except exclusions given in Chapter VII – "Sale of Investment from HTM para 21 of Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023". Any sale beyond this threshold is require prior approval from DoS, RBI.

Valuation

The fair value for the quoted securities are the prices declared by the Financial Benchmarks India Private Ltd. (FBIL) in accordance with RBI circular FMRD. DIRD.7/14.03.025/2017-18 dated March 31, 2018, as amended from time to time. For securities whose prices are not published by FBIL, the fair value of the quoted security is based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorized by RBI/SEBI or prices declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund.

Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

Non-performing investments are identified and depreciation / provision are made thereon based on the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Statement of Profit and Loss until received.

In accordance with the RBI guidelines, repurchase and reverse repurchase transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standing Facility ('MSF') with RBI are accounted as borrowing and lending transactions respectively.

Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions is accounted for as interest income.

The valuation of other unquoted fixed income securities (viz. State Government securities, other approved securities, bonds and debentures) and preference shares, is done with a mark-up



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(reflecting associated credit and liquidity risk) over the YTM rates for government securities published by FIMMDA/FBIL.

Equity shares for which current quotations are not available i.e., which are classified as illiquid or which are not listed on a recognised exchange, the fair value for the purposes of these directions is to be the break-up value (without considering 'revaluation reserves', if any) which is to be ascertained from the company's latest audited balance sheet. The date as on which the latest balance sheet is drawn up does not precede the date of valuation by more than 18 months. In case the latest audited balance sheet is not available or is more than 18 months old, the shares are to be valued at ₹ 1 per company.

Transition date accounting

Transition to the new guidelines of RBI

As on the date of transition, the Bank follows:

- I. The securities under the earlier categories, viz HTM, AFS and HFT are to be classified under new categories HTM, AFS and FVTPL (including FVTPL-HFT).
- II. The balance in provision for depreciation, as at March 31, 2024, is to be reversed into the General Reserve.
- III. Amortisation of discounted securities of HTM Portfolio (from last purchase date to March 31, 2024) is to be accounted through debit the Investment ledger and credit the General Reserve ledger.
- IV. Securities in AFS and FVTPL portfolio are to be transferred at market value. Also, the difference between the book value as on March 31, 2024 and the market value is to be accounted in General Reserve.

Investment Fluctuation Reserve

The Bank creates an Investment Fluctuation Reserve (IFR) until the amount of IFR is at least two per cent of the AFS and FVTPL (including HFT) portfolio, on a continuing basis, by transferring to the IFR an amount not less than the lower of the following: i. Net profit on sale of investments during the year. ii. Net profit for the year, less mandatory appropriations.

The Bank is permitted to draw down the balance available in IFR in excess of two percent of its AFS and FVTPL (including HFT) portfolio, for credit to the balance of profit/loss as disclosed in the profit and loss account at the end of any accounting year.

Short Sale

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio. The mark to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

B. Advances

Classification

Advances are classified as performing and non-performing advances ('NPAs') as per the RBI guidelines on Income Recognition and Asset Classification and are stated net of specific provisions made towards NPAs and inter-bank participation with risk. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI.

The bank transfers advances through Inter- Bank Participation arrangements with and without risk, which are accounted for in accordance with the RBI guidelines, as follows:

- a) In the case of participation with risk, the aggregate amount of participation transferred out of the Bank is reduced from Advances; and participations transferred in to the Bank are classified under Advances.
- b) In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings; and where the bank is participating in, the aggregate amount of participation is shown as due from banks under Advances.

Provisioning

Provisions for NPAs are made for sub-standard, doubtful assets and Loss at rates as prescribed by the RBI guidelines or the policy of the Bank whichever is higher. The bank has stipulated accelerated provisioning based on past experience, evaluation of securities, if any, and other related factors

Loans given under Emergency Credit Line Guarantee Scheme (ECLGS) classified as NPA are not provided for since these are fully guaranteed under the ECLGS scheme of Government of India.

Loans covered by Credit Guarantee Fund for Micro Units Scheme administered by National Credit Guarantee Trustee Company Limited (CGFMU)

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Scheme) classified as NPA are provided to the extent of portion not guaranteed under the CGFMU Scheme.

NPA accounts are written off in accordance with RBI guidelines and Bank's Policy post approval from Board of Directors (BOD). Amounts recovered against debts written-off are recognised in the Profit and Loss account.

For restructured/rescheduled assets, provision is made in accordance with guidelines issued by RBI. The restructured accounts are classified in accordance with RBI guidelines.

Provisions created against individual accounts as per RBI guidelines are not netted in the individual account. For presentation in financial statements, provision created is netted against gross amount of Advance. Provision held against an individual account is adjusted against account balance at individual level only at the time of write-off / settlement of the account.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI. Provision made against standard assets is included in "Other liabilities & provisions and not netted off against Advances.

In addition to the above, the Bank on a prudent basis makes provisions on advances or exposures which are not NPAs but has reasons to believe on the basis of the extant environment or specific information or basis regulatory guidance / instructions, of a possible slippage of a specific advance or a group of advances or exposures or potential exposures. These are classified as contingent provisions and included under other liabilities.

Floating Provision

Provisions made in excess of the Bank's policy for specific loan provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by the Bank up to a level approved by the BOD. In accordance with the RBI guidelines, floating provisions are used up to a level approved by the BOD and RBI only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any other regulatory guidelines as applicable. The floating provision is netted-off from advances.

The Bank recognises the provision for unhedged foreign currency exposure of its borrowers as per regulatory guidelines stipulated by the RBI from

time to time and as per methodology prescribed. The provisions are included in provision for standard assets and reported under other liabilities.

C. Transfer and Servicing of Assets

The Bank transfers loans through securitisation transactions in accordance with Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021. The transferred loans are de-recognised, and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract.

In accordance with the RBI guidelines for securitisation of standard assets, the profit/premium arising from sell down/securitisation to be amortised over the life of the transaction based on the method prescribed in the guidelines and the loss, if any, arises in the sell down/securitisation transaction, is recognised upfront in the Profit or Loss Account.

The Bank transfers advances through inter-bank participation with risk. In accordance with the RBI guidelines, for participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances.

On sale of stressed assets, if the sale is at a price below the net book value, the shortfall shall be charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess shall be credited as profit to the Profit and Loss Account in the year when the initial consideration is received in cash and / or security receipts issued by Securitisation company ('SC') / Reconstruction Company ('RC').

In respect of stressed assets transferred to Asset Reconstruction Company (ARC), where the investment by the bank in security receipts (SRs) backed by the assets sold by it is more than 10 percent of such SRs, provisions held on the SRs are higher of the provisions required in terms of net asset value declared by the SC / RC and provisions as per the extant norms applicable to the underlying loans, notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of the Bank.

D. Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction, the Bank buys



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for the year ended March 31, 2025

the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as 'Miscellaneous Income' and the fee paid for purchase of the PSLCs is recorded as 'Other Expenditure' in Profit and Loss account. The Bank accounts for the income and expense on upfront basis.

E. Foreign Currency Transactions

Initial Recognition:

Transactions in foreign currencies entered into by the Bank are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items, if any, of the Bank, outstanding at the balance sheet date are restated at the rates prevailing at the year-end as notified by Foreign Exchange Dealers Association of India ('FEDAI'). Non-monetary items of the Bank are carried at historical cost.

Contingent liabilities on account of foreign exchange contracts, currency future contracts, guarantees, letters of credit, acceptances and endorsements are reported at closing rates of exchange notified by FEDAI as at the Balance Sheet date.

Treatment of Exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Bank are recognised as income or expense in the Profit and Loss Account.

F. Revenue Recognition

- (i) Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of non-performing assets is recognised upon realisation as per income recognition and asset classification norms of RBI.
- (ii) Interest on advances transferred under securitisation arrangements meeting the criteria stipulated in para C above are not recognised in Profit and Loss Account. The bank's share of the securitization income is recognised on receipt basis.
- (iii) Income on non-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis.
- (iv) Loan processing fees including processing fees on committed lines is accounted for upfront when it becomes due.

- (v) Interest income on deposits with banks and financial institutions is recognized on a time proportion basis taking into accounts the amount outstanding and the implicit rate of interest.
- (vi) Dividend is recognised as income when the right to receive the dividend is established.
- (vii) Profit or loss on sale of mutual fund units is recognised on trade date.
- (viii) All other fees are accounted for as and when they become due.

G. Property, Plant and Equipment (PPE) (Fixed Assets) and Depreciation

Tangible Assets

PPE are stated at cost less accumulated depreciation / amortization and impairment loss, if any. The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure on PPE is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is charged over the estimated useful life of the fixed asset on written down value basis when the asset is available for use i.e. when it is capable of operating in the manner intended by management, 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. Depreciation rate used by the Bank are in line with those specified under Schedule II of the Companies Act, 2013.

The details of useful life are as under:

Class of Assets	Estimated useful life
Computers & Accessories	3 years
Office equipment	5 years
Premises	60 years
Furniture and fittings	10 years
Vehicle	8 years

Leasehold Improvements: Improvements to leasehold premises are amortised over the primary period of lease or estimated useful life, whichever is lower.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use

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for the year ended March 31, 2025

or disposal. The gain or loss arising on derecognition is recognised in the Profit and Loss Account.

Gains or losses arising from disposal or retirement of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" as Profit/ (Loss) on sale of PPE, as the case maybe, in the Profit and Loss Account in the year of disposal or retirement.

PPE held for sale is valued at lower of their carrying amount and net realisable value, any write-down is recognised in the Profit and Loss

H. Intangible Assets

Intangible Assets 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.

Intangible assets, primarily comprise of software, goodwill, patents, trademarks, and copyrights are amortized over a period of 60 months or license period whichever is lower on a straight-line basis with zero residual value.

Capital Work in Progress

Costs incurred towards acquisition of assets, including expenses incurred prior to those assets being put to use and directly attributable to bringing them to their working condition are included under "Capital Work in Progress". Capital Work in Progress including Software under development are stated at the amount incurred up to the date of Balance Sheet.

I. Leases

Operating Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership for the leased term are classified as operating leases in accordance with Accounting Standard 19 on Leases. The office premises are generally rented on cancellable terms or renewable at the option of both the parties. Computers and tablets are rented on operating lease. Operating lease rentals are recognised as an expense on straight-line basis over the lease period in accordance with the AS 19 - Leases

J. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized in profit and loss

account wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account

K. Taxation

Tax expense comprises current and deferred tax

Current Tax :

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. "Current income tax relating to items recognised directly in reserve is recognised in respective reserve and not in Profit and Loss Account."

Deferred Tax :

Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred income tax relating to items recognised directly in reserve is recognised in respective reserve and not in Profit and Loss Account."

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Bank writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or



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for the year ended March 31, 2025

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 embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements.

N. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice. Cash and Cash Equivalents for the purpose of Cash Flow Statement comprises Cash at Bank and in hand and short term Investments with an original maturity of less than three months and without any charge.

O. Borrowing cost

Borrowing cost includes arranger fees, processing fees, stamp duty on issuance of debenture certificates and other associated transaction cost related to borrowing from banks and other financial institutions. Borrowing costs are recognised upfront.

P. Retirement and other employee benefits

Employee benefits include Provident Fund, Employee state insurance schemes, Gratuity and Compensated Absences.

(i) Defined Contribution Plans

Retirement benefits in the form of provident fund and employee state insurance schemes are defined contribution schemes and the contributions are charged to the Profit and Loss Account for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(ii) Defined Benefit Plan

Gratuity:

The Bank operates a defined benefit scheme for its employees, viz., gratuity scheme. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end.

Separate actuarial valuation is carried out for each plan using the projected unit credit method. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liabilities is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff alteration as per projected unit credit method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

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for the year ended March 31, 2025

Other Employee Benefits

Compensated Absences:

The Bank accrues the liability for compensated absences based on the actuarial valuation as on the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as on the Balance Sheet date. Actuarial gains / losses are recognised in the Profit and Loss Account in the period in which they arise.

Q. Employee Stock Compensation Cost

Employees (including senior executives) of the Bank receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, the cost of equity-settled transaction is measured using the fair value method and recognized, together with a corresponding increase in the "Employees Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Profit and Loss Account for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

R. Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013 and RBI approval in accordance with RBI/2006-07/132 DBOD.BP. BC No. 31 / 21.04.018/ 2006-07.

S. Segment information

In accordance with guidelines issued by RBI vide DBOD. No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007 and Accounting Standard 17 (AS-17) on "Segment Reporting", the Banks' business has been segregated into Treasury, Retail Banking and Corporate/ Wholesale Segments.

Segment revenues consist of earnings from external customers and inter-segment revenues based on a transfer pricing mechanism. Segment expenses consist of interest expenses including allocated operating expenses and provisions. Segment results are net of segment revenues and segment expenses.

Segment assets include assets related to segments and exclude tax related assets. Segment liabilities include liabilities related to the segment excluding net worth and dividend liability, if any.

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.

T. Corporate Social Responsibility (CSR)

Expenditure towards CSR, in accordance with Companies Act, 2013, is recognised in the Profit and Loss Account.

U. Proposed Dividend

Proposed dividend / declared after the balance sheet date is accrued in the books of the Bank in the year in which the dividend is declared.



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for the year ended March 31, 2025

(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/2016-17/81DBR. NBD.No.26/16.13.218/2016-17 dated October 6, 2016. The total Capital Adequacy ratio of the Bank as at March 31, 2025 is 25.83% (March 31, 2024: 28.41%) 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, 2025	As at March 31, 2024
i) Common Equity Tier 1 capital (CET 1) (net of deductions, if any)	1,807.85	1,698.84
ii) Additional Tier 1 capital	-	-
iii) Tier 1 capital (i + ii)	1,807.85	1,698.84
iv) Tier 2 capital	102.04	119.95
v) Total capital (Tier 1+Tier 2)	1,909.89	1,818.79
vi) Total Risk Weighted Assets (RWAs)	7,393.89	6,402.21
vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	24.45%	26.54%
viii) Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	24.45%	26.54%
ix) Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.38%	1.87%
x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	25.83%	28.41%
xi) Leverage Ratio	11.62%	13.79%
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, 2025 is ₹ 100.00 crores (March 31, 2024 : ₹ 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 Pillar 3 disclosure under Basel II regulation. These disclosures are available on the Bank's website at the following link : <https://www.suryodaybank.com/regulatory-disclosure>. The above disclosures have not been subjected to audit by the statutory auditors of the Bank.

a) (ii) Capital Infusion

During the year ended March 31, 2025, the Bank has issued 84,126 (March 31, 2024 : 41,949) equity shares of a face value ₹ 10 each.

Details of movement in the paid up equity share capital are as below:

Particulars	March 31, 2025		March 31, 2024	
	Equity shares (Number)	(₹ in crores)	Equity shares (Number)	(₹ in crores)
Equity shares at the beginning of the year	10,62,00,698	106.20	10,61,58,749	106.16
Addition pursuant to stock options exercised	84,126	0.08	41,949	0.04
Addition pursuant to equity shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	10,62,84,824	106.28	10,62,00,698	106.20

Schedules to the Financial Statements

for the year ended March 31, 2025

(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, 2025 (March 31, 2024: ₹ Nil).

c) Appropriation to Reserves

i) Statutory Reserve

The Bank has made an appropriation of ₹ 28.74 crores (March 31, 2024: ₹ 53.99 crores) out of profits for the year ended March 31, 2025 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, 2025, the Bank has been required to appropriate (net of taxes and statutory reserves) ₹ 4.24 crores (March 31, 2024: ₹ 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, 2025, the Bank has transferred ₹ 7.05 crores (March 31, 2024: ₹ 4.56 crores) from Investment Fluctuation Reserve to Profit & Loss Account 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, 2025 (March 31, 2024: ₹ Nil).

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for the year ended March 31, 2025

(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, 2025												
Deposits	92.06	377.97	207.41	206.03	228.88	527.90	903.15	2,161.87	4,778.46	1,087.70	8.18	10,579.61
Advances	8.89	256.17	60.86	85.39	486.39	481.66	1,178.85	2,066.48	2,864.19	962.87	1,522.60	9,974.35
Investments	1,030.35	46.24	33.43	89.47	85.02	93.78	234.46	527.27	792.46	201.42	3.58	3,137.48
Borrowings	-	396.27	-	43.83	12.50	101.11	227.44	439.88	1,262.54	226.72	-	2,710.29
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-	-	-	-	-

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.



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for the year ended March 31, 2025

(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, 2025:

Particulars	Quarter ended March 31, 2025		Quarter ended December 31, 2024			Quarter ended September 30, 2024			Quarter ended June 30, 2024		
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total weighted value (average)
High Quality Liquid Assets											
1 Total High Quality Liquid Assets (HQLA)		2,793.35			2,614.19		2,303.44			2,207.43	
Cash Outflows											
2 Retail deposits and deposits from small business customers, of which:	5,807.39	580.74	5,463.20	546.32	5,006.81	500.68	4,612.53	461.25			
(i) Stable deposits	-	-	-	-	-	-	-	-	-	-	-
(ii) Less stable deposits	5,807.39	580.74	5,463.20	546.32	5,006.81	500.68	4,612.53	461.25			
3 Unsecured wholesale funding, of which:	2,062.92	1,500.40	1,924.55	1,457.25	1,564.72	1,162.77	1,470.36	1,080.83			
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	701.02	138.50	572.78	105.48	478.07	76.12	469.58	80.05			
(iii) Unsecured debt	1,361.90	1,361.90	1,351.77	1,351.77	1,086.65	1,086.65	1,000.78	1,000.78			
4 Secured wholesale funding		61.04		169.08		61.93		48.12			
5 Additional requirements, of which	-	-	-	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Other contractual funding obligation	364.15	364.15	308.28	308.28	277.70	277.70	312.54	312.54			
7 Other contingent funding obligations	328.37	16.42	284.00	14.20	183.14	9.16	140.58	7.03			
8 Total cash outflows		2,522.75		2,495.13		2,012.24		1,909.77			
Cash Inflows											
9 Secured lending (e.g. reverse repo)	41.64	0.00	64.51	0.00	67.61	0.00	72.24	0.00			
10 Inflows from fully performing exposures	676.72	416.63	652.80	397.38	729.77	495.02	613.77	385.18			
11 Other cash inflows	255.52	127.76	243.91	121.96	225.26	112.63	200.53	100.26			
12 Total cash inflows	973.88	544.39	961.23	519.33	1,022.64	607.65	886.54	485.44			
13 Total HQLA		2,793.35		2,614.19		2,303.44		2,207.43			
14 Total Net Cash Outflows		1,978.36		1,975.79		1,404.59		1,424.33			
15 Liquidity Coverage Ratio (%)		141.20%		132.31%		163.99%		154.98%			

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for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crore unless otherwise stated)

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)	Total unweighted value (average)	Total weighted value (average)	Total unweighted 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%				



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for the year ended March 31, 2025

(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, 2025 was at 141.20% as against 144.89% for the quarter ended March 31, 2024, and well above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2025 was ₹ 2,793.35 crores, as against was ₹ 1,735.93 crores for the quarter ended March 31, 2024.

C) 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 Septemebr 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, 2025 was at 159.15% (March 31, 2024: 151.70%).

i) Quantitative disclosure on Net stable funding ration (NSFR) for year ended March 31, 2025:

Particulars	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF					
Item					
1 Capital (2+3)	2,004.99	0.00	0.00	60.00	2,064.99
2 Regulatory capital	2,004.99	0.00	0.00	60.00	2,064.99
3 Other capital instruments	0.00	0.00	0.00	0.00	0.00
4 Retail deposits and deposits from small business customers: (5+6)	1,308.98	924.29	1,078.90	3,372.91	6,353.86
5 Stable deposits	0.00	0.00	0.00	0.00	0.00
6 Less stable deposits	1,308.98	924.29	1,078.90	3,372.91	6,353.86
7 Wholesale funding: (8+9)	907.80	2,007.57	1,393.24	2,196.21	3,941.78



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for the year ended March 31, 2025

(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	
8 Operational deposits	0.00	0.00	0.00	0.00	0.00
9 Other wholesale funding	907.80	2,007.57	1,393.24	2,196.21	3,941.78
10 Other liabilities: (11+12)	359.50	0.00	0.00	0.00	0.00
11 NSFR derivative liabilities		0.00	0.00	0.00	0.00
12 All other liabilities and equity not included in the above categories	359.50	0.00	0.00	0.00	0.00
13 Total ASF (1+4+7+10)	4,581.27	2,931.85	2,472.14	5,629.12	12,360.62
RSF Item					
14 Total NSFR high-quality liquid assets (HQLA)					138.87
15 Deposits held at other financial institutions for operational purposes	31.81	0.00	0.00	0.00	15.90
16 Performing loans and securities: (17+18+19+21+23)	0.00	4,812.38	4,899.08	6,306.10	6,306.10
17 Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	598.19	290.77	458.71	693.83
19 Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	2,149.00	1,758.40	3,598.95	5,018.40
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.65	0.35	0.46	0.79
21 Performing residential mortgages, of which:	0.00	16.01	17.30	841.42	593.88
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	14.56	15.75	689.97	463.64
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	0.00	0.00
24 Other assets: (sum of rows 25 to 29)	311.44	662.95	0.82	646.17	1,283.66
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	0.00	38.96	33.12
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	311.44	662.95	0.82	607.21	1,250.54
30 Off-balance sheet items			443.60		22.18
31 Total RSF (14+15+16+24+30)					7,766.71
32 Net Stable Funding Ratio (%)					159.15%

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for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

i) Quantitative disclosure on Net stable funding ratio (NSFR) for year ended March 31, 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	4,021.56		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
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



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for the year ended March 31, 2025

(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	
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	0.00	32.22	27.39
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)					6,402.47
32 Net Stable Funding Ratio (%)					151.70%

Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crore unless otherwise stated)

3. Investments

a) Composition of Investment Portfolio as at March 31, 2025

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	1,944.00			5.13			1,949.13					1,949.13
Less: Provision for non performing investments (NPI)							-					-
Net	1,944.00	-	-	5.13	-	-	1,949.13	-	-	-	-	1,949.13
Available for Sale												
Gross	852.74						1,206.98					1,206.98
Less: Provision for depreciation and NPI							(20.70)					(20.70)
Net	852.74	-	-	-	-	-	1,186.28	-	-	-	-	1,186.28
Held under FVTPL												
Gross	-	-	2.07	-	-	-	2.07	-	-	-	-	2.07
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	2.07	-	-	-	2.07	-	-	-	-	2.07
Total Investments	2,796.74	-	2.07	5.13	-	-	3,158.18	-	-	-	-	3,158.18
Less: Provision for non performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	-	-	-	-	-	(20.70)	(20.70)	-	-	-	-	(20.70)
Net	2,796.74	-	2.07	5.13	-	333.54	3,137.48	-	-	-	-	3,137.48

Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crore unless otherwise stated)

Composition of Investment Portfolio as at March 31, 2024

Particulars	Investments in India					Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	investments in India	Government Securities	Subsidiaries and/or joint ventures	Others
Held to Maturity										
Gross	1,066.55	-	-	-	-	-	1,066.55	-	-	-
Less: Provision for non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	1,066.55	-	-	-	-	-	1,066.55	-	-	-
Available for Sale										
Gross	1,457.31	-	0.77	-	-	101.21	1,559.29	-	-	-
Less: Provision for depreciation non performing investments (NPI)	0.34	-	-	-	-	26.20	26.55	-	-	-
Net	1,456.97	-	0.77	-	-	75.01	1,532.75	-	-	-
Held under FVTPL										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation non performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total Investments	2,523.86	-	0.77	-	-	101.21	2,625.84	-	-	-
Less: Provision for non performing investments	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and non performing investments (NPI)	0.34	-	-	-	-	26.20	26.54	-	-	-
Net	2,523.52	-	0.77	-	-	75.01	2,599.30	-	-	-
Total	2,523.52	-	0.77	-	-	75.01	2,599.30	-	-	-



Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	March 31, 2025	March 31, 2024
i) Movement of provisions held towards depreciation on investments:		
a) Opening balance	26.54	12.83
b) Add: Provision made during the year	6.14	13.72
c) Less: Write off / Write back of excess provisions during the year (net)^	11.99	-
d) Closing balance	20.69	26.54
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	31.19	35.75
b) Add: Amount transferred during the year	-	-
c) Less: Drawdown	7.05	4.56
d) Closing balance	24.14	31.19
(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 i.e. the net amount reflected in the balance sheet.

^ includes transfer of provision for depreciation on investments to General Reserve on account of transition.

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, 2025 and March 31, 2024 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, 2025	March 31, 2024
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, 2025

(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, 2025

Issuer	Amount	Extent of private placement#	Extent of 'Below investment grade' securities#	Extent of 'Unrated' securities#	Extent of 'Unlisted' securities#*
a) Public sector undertakings					
b) Financial institutions	314.31				
c) Banks					
d) Private corporate					
e) Subsidiaries / Joint ventures					
f) Others [§]	47.14	2.07	-	2.07	2.07
g) Provision held towards depreciation	(20.70)	-	-	-	-
Total	340.75	2.07	-	2.07	2.07

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

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)]

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for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crore unless otherwise stated)

e) Repo/ Reverse Repo Transactions

The Details relating to repo/reverse repo transactions (in face value and market value terms) during the year ended March 31, 2025 are as follows:

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on 31 March 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	20.59	20.59	853.62	853.64	549.99	550.07	281.36	281.89
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	25.00	25.00	325.00	325.04	25.46	25.47	-	-
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-

The details relating to repo/reverse repo transactions (in face value terms) during the year ended March 31, 2024 are as follows:

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during the year		Outstanding as on 31 March 2024	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold under repo								
a) Government securities	750.00	750.00	901.79	901.80	774.46	774.43	750.00	781.28
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	19.56	19.56	153.78	153.80	3.13	3.13	101.64	101.78
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-



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for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

f) Government Security Lending (GSL) transactions (in market value terms)

The Details relating to GSL transactions (in market value terms) during the year ended March 31, 2025 are as follows:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 March 2025
Securities lent through GSL transactions	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-

The Details relating to GSL transactions (in market value terms) during the year ended March 31, 2024 are as follows:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 March 2024
Securities lent through GSL transactions	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-

g) 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 ₹ 19.24 crores as on March 31, 2025 (March 31, 2024: ₹ 0.96 crores).

4. Asset quality

a) Classification of advances and provisions held for the year ended March 31, 2025:

Particulars	Standard Advances	Non- Performing Advances				Total
		Sub - standard	Doubtful	Loss	Total Non - Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	8,008.10	173.12	67.06	2.19	242.37	8,250.47
Add: Additions during the year					743.74	
Less: Reductions during the year [#]					252.27	
Closing balance	9,517.33	677.49	55.86	0.49	733.84	10,251.17
*Reductions in Gross NPAs due to:						
i) Upgradation					13.14	
ii) Recoveries (excluding recoveries from upgraded accounts)					9.32	
iii) Technical/ Prudential Write-offs					148.09	
iv) Transfer of stressed loans					79.88	
v) One Time Settlement					1.83	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	28.76	94.09	42.93	1.79	138.80	167.57
Add: Fresh provisions made during the year					287.94	
Less: Excess provision reversed					186.99	
Closing balance of provisions held	37.89	202.84	36.47	0.45	239.75	277.65
Net NPAs*						
Opening Balance		79.03	24.13	0.40	69.87	
Add: Fresh additions during the year					431.15	
Less: Reductions during the year					44.00	
Closing Balance		474.64	19.39	0.05	457.02	457.02

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for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

Particulars	Standard Advances	Non- Performing Advances				Total
		Sub - standard	Doubtful	Loss	Total Non - Performing Advances	
Floating Provisions						
Opening Balance						33.70
Add: Additional provisions made during the year						24.64
Less: Amount drawn down during the year@						21.27
Closing balance of floating provisions						37.07
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						595.31
Add: Technical/ Prudential write-offs during the year						148.09
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						21.28
Less: One Time Settlement						7.39
Closing balance						714.74

* For calculating Net NPA for total non performing assets column Floating provision is reduced.

@The Bank has utilised floating provision of ₹ 21.27 crores against the sale of stressed loans to Edelweiss Asset Reconstruction Company (EARC) in accordance with RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021.

a) Classification of advances and provisions held for the year ended March 31, 2024:

Particulars	Standard Advances	Non- Performing Advances				Total
		Sub - standard	Doubtful	Loss	Total Non - Performing Advances	
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	
iv) Transfer of stressed loans					-	
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/ Write-off loans					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



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for the year ended March 31, 2025

(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		
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
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.

Ratios

Ratios (in %)	As at March 31, 2025	As at March 31, 2024
Gross NPA to Gross Advances	7.16%	2.94%
Net NPA to Net Advances	4.58%	0.86%
Provision coverage ratio	37.72%	71.17%
Provision coverage ratio*	68.45%	91.66%

*includes write offs.

b) Sector-wise Gross Advances and Gross NPAs

Particulars	March 31, 2025		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
i) Priority Sector *			
a) Agriculture and allied activities	2,749.89	408.49	14.85%
- Agri - Farm Credit - Allied Activities - Dairying	382.85	56.52	14.76%
- Agri - Farm Credit - Allied Activities - Poultry	1,797.47	232.21	12.92%
- Agri - Farm Credit - Allied Activities - Other	260.35	76.12	29.24%
b) Advances to industries sector eligible as priority sector lending	401.20	2.42	0.60%
- Manufacturing and processing	401.20	2.42	0.60%
c) Services	2,364.47	141.67	5.99%
- Transport operators	809.64	1.73	0.21%
- Professional and other services	758.48	77.20	10.18%
- Others	796.36	62.74	7.88%
d) Personal loans	1,515.75	149.96	9.89%
- Other Priority Sector Loans	1,131.08	148.57	13.13%
- Housing Loans	384.66	1.40	0.36%
Sub total (i)	7,031.32	702.55	9.99%

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Particulars	March 31, 2025		
	Outstanding total gross advances	Gross NPAs	Percentage of gross NPAs to Total advances in that sector
ii) Non Priority Sector*			
a) Agriculture and allied activities	4.03	0.18	4.52%
b) Industry	-	-	0.00%
c) Services	-	-	0.00%
d) Personal Loans	3,215.83	31.11	0.97%
- Other Non Priority Sector Loans	3,215.65	31.11	0.97%
Sub total (ii)	3,219.86	31.29	0.97%
Total (i+ii)	10,251.17	733.84	7.16%

*No adjustment made to gross advances on account of PSLCs bought/sold. For PSLCs bought/sold refer note 14(d).

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	0.00%
b) Industry	-	-	0.00%
c) Services	-	-	0.00%
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%

*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, 2025 and no overseas operations were undertaken for the year ended March 31, 2025. Hence revenue from overseas operation is ₹ Nil (March 31, 2024: ₹ Nil).

d) Resolution of Stressed Assets – Revised Framework

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, 2025 (March 31, 2024 : ₹ Nil)



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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% 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 2024-25 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, 2025 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

i) Loans not in default:

- During the year ended March 31, 2025, the Bank has not acquired any loans not in default through assignment of loans
- During the year ended March 31, 2025, the bank has transferred "loans not in default" through assignment as given below

Particulars	March 31, 2025	March 31, 2024
Total amount of loans transferred	77.26	-
Aggregate consideration received	69.38	-
Weighted average residual maturity (in years)	1.43	-
Weighted average holding period (in years)	0.84	-
Retention of beneficial economic interest	10%	-
Tangible security coverage	Not applicable	-
Rating-wise distribution of rated loans	Retail Loans-NA	-

ii) During the year ended March 31, 2025, the Bank has not acquired any stressed loans (Non-performing asset and Special Mention Account)

iii) Details of stressed loans transferred during the year ended March 31, 2025 are given below:

Particulars	To ARCs	To permitted transferees
No. of accounts	3,003	Nil
Aggregate principal outstanding of loans transferred	79.88	Nil
Weighted average residual tenor of the loans transferred ¹ (Months)	103	Nil
Net book value of loans transferred (at the time of transfer) ²	31.15	Nil
Aggregate consideration	31.15	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil

- Excludes loans which are already matured.
- After considering specific provisions of ₹27.46 crores and floating provision of ₹21.27 crores.

The Bank has sold 3,003 loans to ARC having outstanding balance of ₹79.88 crores and Net book value of ₹52.42 crores at ₹31.15 crores {Cash ₹6.23 crores and Security Receipts (SRs) ₹24.92 crores}. The loss arising from this transaction has been adjusted by using floating provision of ₹21.27 crores.

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g) Fraud accounts

Particulars	March 31, 2025	March 31, 2024
Number of frauds reported	326	392
Amount involved in fraud	5.16*	2.83*
Amount of provision made for such frauds	1.05	0.39
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, 2025 are given below:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year i.e. September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025	Of (A) amount written off/Sold to ARC during the half-year ended March 31, 2025	Of (A) amount paid by the borrowers during the half-year ended March 31, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half year i.e. March 31, 2025
Personal Loans	5.08	-	0.10	0.22	4.76
Corporate persons	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	4.67	0.05	2.99	0.11	1.52
Total	9.75	0.05	3.09	0.33	6.28

5. Exposure

a) Exposure to real estate sector

Category	March 31, 2025	March 31, 2024
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.	984.37	849.08
- of which housing loans eligible for inclusion in priority sector advances	400.90	509.37
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.	120.23	26.45
c) Investments in mortgage backed securities (MBS) and other securitised	-	-
i) Residential	-	-
ii) Commercial Real Estate	-	-
Total (i)	1,104.60	875.53
ii) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies (HFCs).	95.79	72.43
Total (ii)	95.79	72.43
Total Exposure to Real Estate Sector (i+ii)	1,200.39	947.96



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b) Exposure to capital market

The Bank does not have capital market exposure as at March 31, 2025 (March 31, 2024 : ₹ 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, 2025 (March 31, 2024 : ₹ 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, 2025. (March 31, 2024: ₹ Nil)

Particulars	March 31, 2025	March 31, 2024
Total unsecured advances of the bank	4,088.33	4,755.20
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, 2025 is ₹ 259.37 Crores (March 31, 2024 : ₹ Nil)

f) Intra Group Exposure

The Bank does not have any intra group exposure as at March 31, 2025 (March 31, 2024 : ₹ Nil).

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, 2025 the Bank holds UFCE provisions of ₹ 4.21 crores (March 31, 2024: ₹ 2.14 crores) maintains capital of ₹ 85.32 crore (March 31, 2024: ₹ 39.53 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, 2025	March 31, 2024
Total deposits of twenty largest depositors	2,104.76	1,659.72
Percentage of deposits of twenty largest depositors to total deposits of the bank	19.89%	21.34%

b) Concentration of Advances

Particulars	March 31, 2025	March 31, 2024
Total advances to twenty largest borrowers	775.21	602.35
Percentage of advances of twenty largest borrowers to total advances of the bank	7.56%	7.30%

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c) Concentration of Exposures

Particulars	March 31, 2025	March 31, 2024
Total exposure to twenty largest borrowers / customers*	935.72	599.66
Percentage of exposure of twenty largest borrowers / customers to total exposure of the bank on borrowers / customers	8.43%	7.08%

* Exposures computed as per applicable RBI regulation.

d) Concentration of NPAs

Particulars	March 31, 2025	March 31, 2024
Total Exposure to the top twenty NPA accounts	24.27	12.18
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	3.31%	5.02%

7. Derivatives

During the year ended March 31, 2025 the Bank has not undertaken any derivative transaction and there is no outstanding position as at the year end (March 31, 2024 : ₹ Nil). Hence, disclosure related to Forward Rate Agreement / Interest Rate Swap/ Credit default Swap and Exchange Traded Interest Rate Derivatives has not been provided.

8. Disclosure relating to securitisation

Particulars	March 31, 2025	March 31, 2024
No. of SPEs holding assets for securitisation transactions originated by the originator (Count)	1	-
Total amount of securitised assets as per books of the SPEs	31.52	-
Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	5.99	-
Others	-	-
Amount of exposures to securitisation transactions other than MRR	-	-
a) Off-balance sheet exposures		
(i) Exposure to own securitisation		
First loss	-	-
Others	-	-
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
(i) Exposure to own securitisation		
First loss	-	-
Others	7.88	-
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
Sale consideration received for the securitised assets	69.38	-
Gain/loss on sale on account of securitisation	-	-
Form and quantum of services provided:		
(i) Post Securitisation Asset Servicing	60.64	-
Performance of facility provided.	-	-
(a) Credit enhancement	5.99	-
(b) Servicing Agent	60.64	-



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Particulars	March 31, 2025	March 31, 2024
Average default rate of portfolios observed in the past- unsecured loan receivables	-	-
Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
Investor complaints	Nil	NIL
(a) Directly/Indirectly received		
(b) Complaints outstanding"		

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 2025 (March 31, 2024: ₹ 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, 2025	March 31, 2024
Complaints received by the bank from its customers		
1. Number of complaints pending at beginning of the year	218	630
2. Number of complaints received during the year	11,774	13,773
3. Number of complaints disposed during the year	11,690	14,185
3.1 Of which, number of complaints rejected by the Bank	186	157
4. Number of complaints pending at the end of the year	302	218
Maintainable complaints received by the bank from Office of Ombudsman		
5. Number of maintainable complaints received by the bank from Office of Ombudsman	99	75
5.1 Of 5, number of complaints resolved in favour of the Bank by Office of Ombudsman	72	26
5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	27	49
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, 2025					
ATM/ Debit Cards	33	1,492	-57%	10	0
Loans and advances	21	809	21%	16	0
Net Banking / Mobile Banking/ Point of Sales	74	3,600	-23%	67	0

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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
Account opening/ Difficulty in operation of accounts	79	5,716	31%	192	1
Staff related	10	101	-48%	8	0
Others	1	56	-88%	9	0
Total	218	11,774	-15%	302	1
March 31, 2024					
ATM/ Debit Cards	451	3,431	-3%	33	-
Loans and advances	18	668	198%	21	2
Net Banking / Mobile Banking/ Point of Sales	111	4,648	-3%	74	-
Account opening/ Difficulty in operation of accounts	45	4,350	-2%	79	1
Staff related	5	195	28%	10	-
Others	-	481	23%	1	-
Total	630	13,773	2%	218	3

12. Disclosure of penalties imposed by the Reserve Bank of India

During the year ended March 31, 2025, no penalties were imposed on Suryoday Small Finance Bank Limited by the Reserve Bank of India. (March 31, 2024: ₹ 0.001 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 of the Board ("NRC") is the main body overseeing remuneration of the Directors, Key Managerial Personnel ("KMPs"), and Senior Management Personnel ("SMPs") of the Bank. As on March 31, 2025, the NRC had four (4) members of which three (3) are Independent Directors. The functions of the Committee include formulating criteria to determine independence of Directors, identifying persons for appointment as Directors on the Board of the Bank, devising a Policy on Board Diversity, formulating criteria for evaluation of the performance of the Board, its Committees and individual Directors, recommending remuneration of KMPs and SMPs, administering, monitoring and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Bank, recommending to the Board Policy on Succession Planning for the Board and senior management and overseeing and reviewing the succession plans from time to time.

The Composition of NRC committee as on March 31, 2025 is as follows:

- Mr. Mrutunjay Sahoo, Independent Director (Chairman upto September 21, 2024)
- Mrs. Swati Datye, Independent Director (member upto September 29, 2024; and thereafter Chairperson w.e.f. September 30, 2024)
- Mr. Arun Diaz, Independent Director
- Mr. Krishana Prasad Nair, Independent Director
- Mr. Ranjit Shah, Investor Director
- Mr. Jyotin Mehta, Independent Director (w.e.f. September 30, 2024 upto February 12, 2025)



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External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process

Not Applicable

Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches

- (a) The Policy on appointment and remuneration of Directors, Key Managerial personnel and senior management employees was approved by the Board on January 23, 2017 and reviewed periodically. It was modified in October 2020 to exclude the remuneration aspects in view of new Compensation Policy being formulated and approved by the Board.
- (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, 2025 was 8,649.

- (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 key changes included roles identified for Material Risk Takers and Risk Control Staff and change in deferment period for cash variable.

Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee: The remuneration of employees in control functions such as Risk and Compliance depends solely on their performance and is not linked to any business outcomes.

- (c) **Description of the ways in which current and future risks are taken into account in the remuneration processes including the nature and type of the key measures used to take account of these risks:**

Overview of the key risks that the Bank takes into account when implementing remuneration measures: The Board approves the overall risk management policy including risk framework, limits, etc. The Bank conducts all its business

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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.

(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.



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for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

13. Disclosure on Remuneration

B) Quantitative Disclosures

Sr. No	Subject	March 31, 2025*	March 31, 2024*
(g)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings : 7 Remuneration paid : ₹ 0.14 Crores	Number of meetings : 10 Remuneration paid : 0.15 Crores
(h) (i)	Number of employees having received a variable remuneration award during the financial year.	7	6
(h) (ii)	Number and total amount of sign-on / joining bonus made during the financial year	No : 6 , ESOPs : 1,34,487	No : 1 , ESOPs : 1,25,000
(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 ₹ 0.47 crores and Non cash as per ESOP scheme of the Bank	Cash of ₹ 0.96 crores and Non cash as per ESOP scheme of the Bank
(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 : ₹ 0.81 crores (The Cash Variable is deferred as per RBI Guidelines and the Compensation Policy of the Bank)	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)
(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	7
(m) (i)	Number of cases where malus has been exercised.	None	None
(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	0.00384 Crores Deviation - Not Applicable	0.00371 Crores Deviation - Not Applicable

*The quantitative disclosures for covers MD & CEO and Material Risk Takers only [b(i),b(ii), c(i), d(i)]

**Fixed pay includes basic salary, retirals and perquisites.

*** Only MRTs are considered.

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for the year ended March 31, 2025

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Disclosure on remuneration to Non-Executive Directors

Particulars	March 31, 2025	March 31, 2024
Remuneration by way of sitting fees to the Non-Executive Directors for attending meetings of the Board and its committees	1.74	1.18
Profit related commission to all Non-Executive Directors other than the Chairperson	-	-

14 Other Disclosures

a) Business ratios

Particulars	March 31, 2025	March 31, 2024
i) Interest income as a percentage to Working Funds ¹	14.59%	14.88%
ii) Non-interest income as a percentage to Working Funds ¹	1.62%	2.06%
iii) Cost of Deposits (%) ²	7.97%	7.60%
iv) Net Interest Margin (%) ³	8.96%	9.80%
v) Operating Profit ⁴ as a percentage to Working Funds ¹	2.91%	4.25%
vi) Return on Assets	0.84%	1.94%
vii) Business ⁵ (deposit plus advances) per employee ⁶ (₹ in crore)	2.55	2.28
viii) Profit per employee ⁶ (₹ in crore)	0.01	0.03

- 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 Daily average of total of Gross 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.

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, 2025	For the year ended March 31, 2024
For selling life insurance policies	30.45	29.14
For selling non-life insurance policies	2.14	2.36
Total	32.59	31.50

c) Marketing and distribution

The Bank has received ₹ Nil fees/remuneration in respect of Marketing and Distribution function (excluding bancassurance business) during the year ended March 31, 2025 (March 31, 2024: ₹ 6.62).



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for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Type of PSLCs	For the year ended March 31, 2025		For the year ended March 31, 2024	
	PSLC bought	PSLC sold	PSLC bought	PSLC sold
Agriculture	830.00	-	200.00	-
Small and Marginal Farmers	-	2,500.00	-	2,300.00
Micro Enterprises	200.00	-	300.00	-
General	-	-	-	-
Total	1,030.00	2,500.00	500.00	2,300.00

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, 2025	March 31, 2024
i) Provision for NPI	-	-
ii) Provision towards NPA (Net off write off)	258.19	136.72
iii) Provision made towards Income tax	45.29	25.10
iv) Provision for deferred tax	(16.42)	46.51
v) Provision for standard assets	9.13	5.38
vi) Provision for depreciation on investment	-	-
vii) Other provision and contingencies	(21.95)	24.24
Total	274.24	237.95

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, 2025	March 31, 2024
i) Payment of DICGC Insurance Premium	10.31	7.31
ii) Arrears in payment of DICGC premium	-	-

15. Employees Stock Option Scheme

The Bank has share-based payment schemes for it's employees. Schemes in operation Employee Stock Option Scheme 2016 and Employee Stock Option Scheme 2019. During the year-ended March 31, 2025, the Bank has issued 8,17,740 options (March 31, 2024 : 10,44,942) under the Employee Stock Option Scheme 2019.

Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

The details of the Employee Stock Option Scheme are as under:

Particulars	Employee Stock Option Scheme 2016				
Grant Date	January 19, 2017	July 27, 2017	March 1, 2018	July 16, 2018	February 5, 2019
Number of Options granted	15,10,000	5,50,000	3,06,950	4,07,000	7,24,000
Method of Settlement	Equity				
Vesting	25% after one year from the date of grant and every year thereafter.				
Exercisable period	3 years from the Vesting date				
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee				
Exercise Price Per Option	₹ 108	₹ 125	₹ 127	₹140	₹173

Particulars	Employee Stock Option Scheme 2019					
Grant Date	November 06, 2019	January 10, 2020	January 01, 2021	October 13, 2021	April 28, 2022	September 13, 2022
Number of Options granted	18,72,100	1,95,000	3,15,000	3,70,000	6,54,500	7,79,350
Method of Settlement	Equity					
Vesting	25% after one year from the date of grant and every year thereafter.					
Exercisable period	3 years from the Vesting date					
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee					
Exercise Price Per Option	₹196	₹196	₹253	₹189	₹137	₹114

Particulars	Employee Stock Option Scheme 2019					
Grant Date	July 25, 2023	November 08, 2023	January 24, 2024	April 08, 2024	May 08, 2024	July 24, 2024
Number of Options granted	7,79,942	75,000	1,90,000	2,00,000	1,00,000	5,17,740
Method of Settlement	Equity					
Vesting	25% after one year from the date of grant and every year thereafter.					
Exercisable period	3 years from the Vesting date					
Vesting Conditions	From second vesting tranche onwards, based on performance rating of the employee					
Exercise Price Per Option	₹176	₹165	₹163	₹187	₹195	₹177

Following are the outstanding options as at year end:

Particulars	Employee Stock Option Scheme 2016		Employee Stock Option Scheme 2019	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Total Options granted and outstanding at the beginning of the year	94,364	2,73,663	27,23,145	22,30,560
Add: Options granted during the year	-	-	8,17,740	10,44,942
Less: Options forfeited / lapsed during the year	52,853	1,55,725	6,11,417	5,33,982
Less : Options exercised during the year	11,200	23,574	72,926	18,375
Options Outstanding as at end of the year	30,311	94,364	28,56,542	27,23,145
- Vested	30,311	91,864	10,85,338	7,75,939
- Yet to Vest	-	2,500	17,71,204	19,47,206

The value of options have been estimated on the date of the grant using Black-Scholes model.



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for the year ended March 31, 2025

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The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant are:

Variables	Employee Stock Option Scheme 2016 - Grant 1			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.50%	5.50%	5.50%	5.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.68%	39.61%	38.41%	40.66%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	42.82	48.32	53.26	60.00

Variables	Employee Stock Option Scheme 2016 - Grant 2			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.50%	5.50%	5.50%	5.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	38.88%	38.78%	37.41%	39.34%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	37.43	44.74	49.95	57.16

Variables	Employee Stock Option Scheme 2016 - Grant 3			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.50%	6.50%	6.50%	6.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	39.35%	39.32%	38.05%	37.08%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	39.68	47.58	53.37	58.52

Variables	Employee Stock Option Scheme 2016 - Grant 4			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.65%	6.70%	6.70%	6.75%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	33.05%	37.71%	38.38%	37.34%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	38.86	51.12	59.19	65.01

Variables	Employee Stock Option Scheme 2016 - Grant 5			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.38%	7.38%	7.38%	7.38%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	30.63%	38.03%	37.18%	37.28%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	47.50	65.37	74.07	82.60

Variables	Employee Stock Option Scheme 2019 - Grant 1			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.50%	6.50%	6.50%	6.50%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	32.19%	32.81%	37.19%	37.63%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	54.00	66.17	81.67	91.40

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for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

Variables	Employee Stock Option Scheme 2019 - Grant 2			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.56%	6.56%	6.56%	6.56%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	32.64%	31.90%	37.22%	36.75%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	54.62	65.29	81.90	90.49

Variables	Employee Stock Option Scheme 2019 - Grant 3			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	5.93%	5.93%	5.93%	5.93%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	48.88%	44.66%	41.93%	43.95%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	90.64	101.01	110.29	125.47

Variables	Employee Stock Option Scheme 2019 - Grant 4			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.28%	6.28%	6.28%	6.28%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	51.31%	46.61%	43.19%	42.08%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	70.62	78.30	84.76	92.38

Variables	Employee Stock Option Scheme 2019 - Grant 5			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.08%	7.08%	7.08%	7.08%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	48.02%	45.04%	42.89%	44.47%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	49.84	56.85	62.84	70.91

Variables	Employee Stock Option Scheme 2019 - Grant 6			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.20%	7.20%	7.20%	7.20%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	50.03%	46.55%	43.92%	42.68%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	43.02	48.73	53.51	58.28

Variables	Employee Stock Option Scheme 2019 - Grant 7			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.09%	7.09%	7.09%	7.09%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	42.40%	50.73%	47.27%	45.16%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	58.75	78.73	85.36	91.77



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Variables	Employee Stock Option Scheme 2019 - Grant 8			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	7.28%	7.28%	7.28%	7.28%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	40.16%	42.99%	47.19%	44.66%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	53.64	67.10	80.67	86.34

Variables	Employee Stock Option Scheme 2019 - Grant 9			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.98%	7.01%	7.03%	7.04%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.34%	41.89%	47.89%	45.16%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	53.44	64.60	79.71	85.06

Variables	Employee Stock Option Scheme 2019 - Grant 10			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.98%	7.01%	7.02%	7.02%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	41.30%	41.76%	47.38%	45.19%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	61.22	73.91	90.77	97.49

Variables	Employee Stock Option Scheme 2019 - Grant 11			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.98%	7.01%	7.02%	7.02%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	42.13%	41.48%	47.53%	45.22%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	64.92	77.01	95.16	102.03

Variables	Employee Stock Option Scheme 2019 - Grant 12			
	Tranche 1	Tranche 2	Tranche 3	Tranche 4
1. Risk Free Interest Rate	6.77%	6.80%	6.82%	6.83%
2. Expected Life (in years)	2.56	3.56	4.56	5.56
3. Expected Volatility	39.84%	40.15%	47.50%	45.10%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. Fair value of the option on the grant date (₹)	56.27	67.89	85.67	91.77

Amount spent during the the financial year :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employee stock option expenditure (included in schedule 16 (I))	4.44	3.76

Particulars	As at March 31, 2025	As at March 31, 2024
Employee stock options outstanding account (included in schedule 2 (V))	11.98	10.10

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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 banking includes all advances to borrowers, which are not included under Retail banking. Revenues of the wholesale banking segment consist of interest and fees on loans made to customers.

d) Other Banking Operation

Other Banking includes other items not attributable to any particular business segment. This segment includes income from para banking activities such as distribution of third party product and the associated costs.

e) Unallocated

All items which are reckoned at an enterprise level are classified under this segment. This includes other unallocable assets and liabilities such as deferred tax etc.

Geographical segments

The business operations of the Bank are concentrated in India hence the Bank is considered to operate only in domestic segment.

Segment reporting for the year ended March 31, 2025 is given below:

Particulars	Treasury	Retail banking	Corporate Banking	Other banking operations	Total
Segment Revenue	238.61	2,039.11	123.41	34.42	2,435.55
Segment Result	19.62	207.72	(71.47)	-	155.87
Unallocated expenses					(12.04)
Operating Profit					143.83
Income taxes					28.86
Extraordinary profit/loss					-
Net Profit					114.97
Other information:					
Segment assets	4,845.37	9,003.26	1,674.41	9.71	15,532.75
Unallocated assets					81.64
Total assets					15,614.39
Segment Liabilities	2,727.94	7,612.86	3,341.54	4.90	13,687.24



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Particulars	Treasury	Retail banking	Corporate Banking	Other banking operations	Total
Unallocated liabilities					0.05
Total liabilities					13,687.29
Capital employed					1,927.10
Capital expenditure					59.02
Depreciation					55.59

- 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.
- The RBI vide its circular No. RBI/2022-23/19/DOR.AUT.REC.12/2022-23 dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. At present, the Bank does not have DBUs and hence no Digital Banking Segment disclosure have been made.

Segment reporting for the year ended March 31, 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

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 31,2024: ₹ 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, 2025	March 31, 2024
Current service cost	3.77	2.94
Interest cost on benefit obligation	0.87	0.66
Past Service Cost	-	0.23
Expected return on plan assets*	(0.01)	(0.02)
Net actuarial (gain)/ loss recognized in the year	1.26	1.17
Claim received in last year (Bal Fig.)	(0.33)	-
Employer Expenses	5.56	4.98

* Represents expected returns determined by the actuary

Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

Net Liability/ (Asset) recognised in the Balance Sheet	March 31, 2025	March 31, 2024
Present value of Defined Benefit Obligation	17.11	12.64
Fair value of plan assets	(0.11)	(0.10)
Net liability recognized in balance sheet	17.00	12.54
Less: Unrecognised Past Service Cost		
Liability recognized in balance sheet	17.00	9.20
of which, Short term provision	3.75	2.58

Reconciliation of Defined Benefit Obligation (DBO)	March 31, 2025	March 31, 2024
Present Value of DBO at start of year	12.64	9.33
Interest cost	0.87	0.66
Current service cost	3.77	2.94
Past Service Cost	-	0.23
Benefits paid	(1.43)	(1.71)
Actuarial loss	1.26	1.18
Present Value of DBO at end of year	17.11	12.64

Reconciliation of Fair Value of Plan Assets	March 31, 2025	March 31, 2024
Fair Value of Plan Assets at start of year	0.10	0.13
Expected return on plan assets	0.01	0.02
Contributions by the employer	1.43	1.65
Benefits paid	(1.43)	(1.71)
Actuarial (loss)/gain	-	0.01
Fair Value of plan assets at end of year	0.11	0.10
Estimated employer contributions for the next year	1.50	1.50
Actual return on plan assets	0.01	0.03

The principal assumptions used in determining gratuity obligations for the Bank's plan are shown below:	March 31, 2025	March 31, 2024
Discount rate	0.06	0.07
Expected rate of return on assets	0.07	0.07
Employee turnover	0.30	0.30
Salary growth rate	0.08	0.08
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	2 Years	2.5 Years

Percentage break-down of total plan assets	March 31, 2025	March 31, 2024
Insurer Managed Funds (non unit-linked)	40%	40%
Insurer Managed Funds (unit-linked)	60%	60%
Total	100.00%	100.00%

Planned Asset Break up for Unit Linked Fund (Balanced Managed Fund)	March 31, 2025	March 31, 2024
Equities	45.00%	44.35%
Debentures and Bonds	11.17%	12.34%
Government Securities	40.14%	41.49%
Deposits, Money market instruments and net current assets	3.69%	1.82%
Total	100.00%	100.00%



Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

Planned Asset Break up for Unit Linked Fund (Secure Managed Fund)	March 31, 2025	March 31, 2024
Debentures and Bonds	36.42%	44.35%
Government Securities	57.22%	12.34%
Deposits, Money market instruments and net current assets	6.36%	41.49%
Total	100.00%	100.00%

Planned Asset Break up for Non Linked Fund	March 31, 2025	March 31, 2024
Government Securities	11.57%	43.52%
Corporate Bonds	84.48%	50.54%
Cash and Deposit	3.95%	5.95%
Total	100.00%	100.00%

Experience Adjustments	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Present Value of DBO	17.11	12.64	9.33	8.83	7.65
Less: Fair Valuation of Plan Assets	(0.11)	(0.10)	(0.13)	0.17	0.11
Funded Status [Surplus/(Deficit)]	17.00	12.54	9.20	(8.66)	(7.54)
Experience adjustment on plan liabilities : (Gain) / Loss	0.95	1.09	(0.07)	0.36	0.13
Experience adjustment on plan Assets : Gain / (Loss)	(0.00)	0.01	(0.01)	0.04	0.00

Employee benefits - Leave Availment

The actuarial liability in respect of privilege leave granted to employees of the Bank and outstanding as at March 31, 2025 is ₹ 1.55 crore (March 31, 2024: ₹ 1.29 crores).

Assumption used :

Discount rate : 6.4%

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 ₹ 23.29 crores for the year ended March 31, 2025 (March 31, 2024: ₹ 18.36 crores).

18. Earnings per equity share

Particulars	March 31, 2025	March 31, 2024
Net profit after tax (in crore)	114.97	215.96
Weighted average number of equity shares in computing the basic earnings per share	10,62,53,850	10,61,62,703
Basic earnings per share ₹	10.82	20.34
Weighted average number of equity shares in computing the diluted earnings per share	10,63,02,014	10,63,65,111
Diluted earnings per share ₹	10.75	20.15
Nominal value per Share (₹)	10.00	10.00

Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

Reconciliation of weighted average number of equity share

Particulars	March 31, 2025	March 31, 2024
Weighted average number of equity shares in computing the basic earnings per share	10,62,53,850	10,61,62,703
Effect of potential equity shares outstanding	48,164	2,02,408
Weighted average number of equity shares in computing the diluted earnings per share	10,63,02,014	10,63,65,111

Basic earnings per equity share is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit or loss after tax for the year attributable to equity shareholder by weighted average number of equity shares including potential equity shares outstanding as at the end of the year, except when results are anti dilutive.

19. Deferred taxes

As at March 31, 2025, the Bank has recorded net deferred tax asset of ₹ 67.30 crores (March 31, 2024 : ₹ 50.88 crores), included in other assets.

Particulars	March 31, 2025	March 31, 2024
A) Deferred tax asset arising out of:		
Loan loss provision	66.21	50.94
Employee benefits	7.02	6.93
Others	0.68	0.01
Total (A)	73.91	57.88
B) Deferred tax liability arising out of:		
Depreciation	(6.61)	(7.00)
Total (B)	(6.61)	(7.00)
Deferred tax asset (net) (A-B)	67.30	50.88

20. Other Additional Disclosures

a) Provision on Standard Assets

Particulars	March 31, 2025	March 31, 2024
Provision towards standard assets*	38.63	30.34

* It includes UFCE and restrucutre provision

b) Contingent liabilities

Particulars	March 31, 2025	March 31, 2024
Service tax liability	0.72	0.69
Income tax liability	0.00	3.60
GST liability	0.95	0.00
Undrawn commitments	0.07	0.07
Capital commitments	18.98	0.00
Others	0.04	0.02
Total	20.76	4.38

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.



Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

ii) Claims against the Bank not acknowledged as debts - others

The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.

c) Leases

Operating lease primarily comprises of office premises, computers and tablets, which are renewable at the option of the Bank. The future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	March 31, 2025	March 31, 2024
Not later than one year	7.72	15.40
Later than one year but not later than five years	6.98	27.17
Later than five years	-	-
Total	14.70	42.57
The total lease payments recognised in Profit and Loss account for the year	54.91	36.99

There are no provisions relating to contingent rent

d) Corporate Social Responsibility (CSR)

Gross amount required to be spent by the Bank during the year ended March 31, 2025 is ₹ 1.74 crore (March 31, 2024 ₹ 0.07 crores) under section 135 of the Companies Act, 2013.

Particulars	March 31, 2025	March 31, 2024
a) Gross amount required to be spent by the Bank during the year	1.74	0.07*
b) Amount spent during the year		
i) Construction/ acquisition of asset		
ii) on purpose other than (i) above [#]	2.10	1.32
c) Previous years surplus	1.25	-
d) Surplus at year end	1.61	1.25
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 preceding financial years of ₹ 0.07 crore, which was transferred to Unspent CSR Account as per Section 135(6).

[#] Out of ₹ 2.10 Crores, Bank has utilised/spent ₹ 2.0 Crores

e) Details of payment of Audit fees.

Particulars	March 31, 2025	March 31, 2024
Statutory Audit fees and other related services*	0.90	1.12
Other matters	-	-
Total	0.90	1.12

*Includes out of pocket expenses.

f) (i) Miscellaneous income more than 1% of total income

Particulars	March 31, 2025	March 31, 2024
Income on Priority sector lending certificates	46.43	38.79

f) (ii) Other Expenditure more than 1% of total income

Particulars	March 31, 2025	March 31, 2024
Brokerage (includes loan acquisition commission)	82.09	41.28
Premium paid to CGFMU	72.64	52.63
Professional fees (includes payment to outsourced vendors)	39.63	34.40

Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

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	March 31, 2025	March 31, 2024
No. of accounts restructured	32*	46*
Amount in ₹ crore	0.73	3.18

*Excludes Accounts Sold to ARC and Write Offs.

i) Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank

During the year ended March 31, 2025, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed as per the extant RBI guidelines. (March 31, 2024 : ₹ 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, 2025 is ₹ Nil Crores (March 31, 2024: ₹ 400 Crs)

k) Related party disclosure

As per AS 18 Related Party Disclosures notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014 and Companies (Accounting Standards) Amendment Rules 2016, the Banks' related parties during the year ended March 31, 2025 are disclosed below:

Key Management Personnel (KMP):

Mr. Baskar Babu Ramachandran (Managing Director and CEO)
 Mr. Hemant Premchandbhai Shah (Whole time Director w.e.f. April 01, 2024)
 Mr. Kanishka Chaudhary (Chief Financial Officer)
 Krishna Kant Chaturvedi ((Company Secretary)

Relatives of Key Management Personnel (KMP):

Ms. Shilpa Bhaskar Babu
 Ms. Jayatri Dasgupta

Directors (other than Executive Directors listed under KMP)

Mr. K P Nair (Independent Director)
 Mr. Jyotin Mehta (Independent Director up to February 12, 2025)
 Mr. Mrutunjay Sahoo (Independent Director up to September 21, 2024)
 Mr. Arun Kumar Diaz (Independent Director)
 Mr. Deepak Kumar Sharma (Independent Director w.e.f. April 11, 2024)
 Ms. Swati Datye (Independent Director w.e.f. February 01, 2024)
 Mr. Vivek Karve (Independent Director w.e.f. January 21, 2025)
 Ms. Mandeep Maitra (Independent Director up to January 31, 2024)



Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

Transactions with Related Parties for the year ended March 31, 2025

Particulars	KMP	Directors	Relative of KMP	Total
Deposit accepted during the year	0.18	0.05	0.14	0.37
Deposit repaid during the year	0.00	-	-	0.00
Sitting Fees paid	-	1.74	-	1.74
Interest on Deposits	0.18	-	0.08	0.26
Remuneration	5.51	-	-	5.51

Balances with Related Parties for the year ended March 31, 2025

Particulars	KMP	Directors	Relative of KMP	Total
Term Deposit as on 31.03.2025	0.40	0.05	0.60	1.05

Transactions with Related Parties for the year ended March 31, 2024

Particulars	KMP	Directors	Relative of KMP	Total
Deposit accepted during the year	0.12	-	0.30	0.42
Deposit repaid during the year	-	0.05	-	0.05
Sitting Fees paid	-	1.18	-	1.18
Interest on Deposits	0.01	-	0.03	0.04
Remuneration	3.54	-	-	3.54

Balances with Related Parties for the year ended March 31, 2024

Particulars	KMP	Directors	Relative of KMP	Total
Term Deposit as on 31.03.2024	0.19	-	0.42	0.61

l) Small and micro industries

The details of amount outstanding to Micro & Small Enterprises under the Micro and Small Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company and relied upon by the auditors are as under:

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount due thereon remaining unpaid to any suppliers as at the end of the accounting year	-	-
The amount of interest paid by the Company under MSMED Act, 2006 along with the amounts of payments made to suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making the payment, but without adding the interest specified under the MSME Act.	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The principal amount not due and remaining unpaid	0.21	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues are as above are actually paid to small enterprise.	-	-

m) Letter of Comfort

The Bank has not issued letter of comfort during the year ended March 31, 2025 (March 31, 2024: ₹ Nil).

n) Investor education and protection fund

There were Nil amounts which were required to be transferred to the Investor education and protection fund by the Bank during the year ended March 31, 2025 (March 31, 2024: ₹ Nil).

Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

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, 2025 (March 31, 2024: ₹ 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, 2025 (March 31, 2024: ₹ Nil).

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, 2025 (March 31, 2024: ₹ 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, 2025 (March 31, 2024: ₹ 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, 2025 (March 31, 2024: ₹ 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 2024-25, 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.



Schedules to the Financial Statements

for the year ended March 31, 2025

(All amounts are in Indian Rupees in crore unless otherwise stated)

- z)** The Bank has covered its unsecured loan portfolio under the Credit Guarantee Fund for Micro Units (CGFMU) Scheme, administered by the National Credit Guarantee Trustee Company Limited (NCGTC), since FY 2022-23. As of FY 2024-25, approximately 95% of the Bank's unsecured loan portfolio is covered under the scheme.

Till FY 2023-24, the Bank maintained NPA, provisions on the full value of loans, including those covered under the CGFMU Scheme, in line with its internal policy. From FY 2024-25, the Bank has decided to avail the benefit in accordance with Paragraph 5.9.4 of the RBI Master Circular – "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" (DOR.STR.REC.8/21.04.048/2024-25) dated April 2, 2024, applicable to loans covered under the CGFMU Scheme. Consequently, NPA provisions during FY 2024-25 were made only on the portion of such loans not guaranteed under the scheme. Accordingly, the NPA provision for the year has been adjusted by ₹2.57 crore in respect of loans classified as NPA as on March 2024.

Similarly, the Bank used to maintain Risk Weight as per New Capital Adequacy Framework (NCAF) guidelines issued by RBI, on all the loans including those covered under the Scheme even though the same were eligible for claim under the Scheme to the extent of the guaranteed portion. Henceforth, the Bank has decided to avail the benefit as per the provisions of the RBI Circular DOR.STR.REC.67/21.06.201/2022-23 dated September 07, 2022, titled "Review of Prudential Norms – Risk Weights for Exposures guaranteed by Credit Guarantee Schemes (CGS)". Consequently, the Risk Weight is applied only on the portion to the extent it is not guaranteed under the CGFMU Scheme, in respect of these loans. Accordingly, the capital to risk weighted asset ratio (CRAR) as at March 31, 2025 is 25.83%. Had the Bank not taken the benefit of the guarantee cover under the CGFMU Scheme both in respect of NPA provisioning and CRAR computation, the CRAR as per the NCAF guidelines would have been 22.03%.

aa) Comparatives

Figures for the previous year have been regrouped wherever necessary to conform with the current year presentation.

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No: 106655W

For and on behalf of the Board of Directors
Suryoday Small Finance Bank Limited

Nilesh RS Joshi
Partner
Membership No: 114749

Krishna Prasad Nair
Chairperson
DIN-02611496

Baskar Babu Ramachandran
Managing Director and
Chief Executive Officer
DIN-02303132

Vivek Karve
Director
DIN - 06840707

Place: Navi Mumbai
Date: May 08, 2025

Krishna Kant Chaturvedi
Company Secretary

Kanishka Chaudhary
Chief Financial Officer

Notes



Suryoday Small Finance Bank Limited

Registered and Corporate Office:

1101 Sharda Terraces, Plot 65, Sector 11, CBD Belapur,
Navi Mumbai - 400 614

