



## SURYODAY SMALL FINANCE BANK LIMITED

Our Bank was originally incorporated as Suryoday Micro Finance Private Limited at Chennai, Tamil Nadu, as a private limited company under the Companies Act, 1956 pursuant to the certificate of incorporation dated November 10, 2008 issued by the Assistant Registrar of Companies, Tamil Nadu, Andaman and Nicobar Islands at Chennai. Subsequently, our Bank was converted into a public limited company and the name of our Bank was changed to Suryoday Micro Finance Limited, and a fresh certificate of incorporation dated June 16, 2015 was issued by the RoC. Our Bank was granted the in-principle and final approval to establish a small finance bank ("SFB") by the RBI, pursuant to its letters dated October 7, 2015 and August 26, 2016, respectively. Pursuant to our Bank being established as an SFB, the name of our Bank was changed to Suryoday Small Finance Bank Limited and a fresh certificate of incorporation was issued by the RoC on January 13, 2017. Our Bank commenced its business with effect from January 23, 2017 and was included in the second schedule to the RBI Act pursuant to a notification dated July 24, 2017 issued by the RBI and published in the Gazette of India on September 2, 2017. For further details, see "History and Certain Corporate Matters" beginning on page 173 of the Draft Red Herring Prospectus.

**Registered and Corporate Office:** Unit No. 1101, Sharda Terraces, Plot No. 65, Sector 11, CBD Belapur, Navi Mumbai 400 614, Maharashtra, India;  
**Tel:** +91 22 4043 5800; **Website:** www.suryodaybank.com; **Contact Person:** Geeta Krishnan, Company Secretary and Compliance Officer; **E-mail:** company.secretary@suryodaybank.com;  
**Corporate Identity Number:** U65923MH2008PLC261472

### ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 30, 2020: NOTICE TO INVESTORS (THE "ADDENDUM")

INITIAL PUBLIC OFFER OF UP TO 20,061,796 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SURYODAY SMALL FINANCE BANK LIMITED ("BANK" OR "ISSUER") FOR CASH AT A PRICE OF ₹10 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹10 PER EQUITY SHARE) AGGREGATING UP TO ₹200 MILLION (THE "ISSUE") COMPRISING A FRESH ISSUE OF UP TO 11,595,000 EQUITY SHARES AGGREGATING UP TO ₹115.95 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 8,466,796 EQUITY SHARES AGGREGATING UP TO ₹84.67 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO 4,387,888 EQUITY SHARES AGGREGATING UP TO ₹43.88 MILLION BY INTERNATIONAL FINANCE CORPORATION, UP TO 1,615,000 EQUITY SHARES AGGREGATING UP TO ₹16.15 MILLION BY GAJA CAPITAL FUND II LIMITED, UP TO 889,842 EQUITY SHARES AGGREGATING UP TO ₹8.89 MILLION BY DWM (INTERNATIONAL) MAURITIUS LTD, UP TO 750,000 EQUITY SHARES AGGREGATING UP TO ₹7.5 MILLION BY HDFC HOLDINGS LIMITED, UP TO 250,000 EQUITY SHARES AGGREGATING UP TO ₹2.5 MILLION BY IDFC FIRST BANK LIMITED, UP TO 200,000 EQUITY SHARES AGGREGATING UP TO ₹2 MILLION BY AMERICORP VENTURES LIMITED, UP TO 186,966 EQUITY SHARES AGGREGATING UP TO ₹1.87 MILLION BY KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED, UP TO 100,000 EQUITY SHARES AGGREGATING UP TO ₹1 MILLION BY POLARIS BANYAN HOLDING PRIVATE LIMITED AND UP TO 85,000 EQUITY SHARES AGGREGATING UP TO ₹0.85 MILLION BY GAJA CAPITAL INDIA AIF TRUST (REPRESENTED BY ITS TRUSTEE, GAJA TRUSTEE COMPANY PRIVATE LIMITED) (COLLECTIVELY, REFERRED TO AS THE "INVESTOR SELLING SHAREHOLDERS"), UP TO 2,000 EQUITY SHARES AGGREGATING UP TO ₹20 MILLION BY APNEET KAHLOON AND UP TO 100 EQUITY SHARES AGGREGATING UP TO ₹1 MILLION BY CHINTAN HARKANTBHAI TRIVEDI (COLLECTIVELY, REFERRED TO AS THE "INDIVIDUAL SELLING SHAREHOLDERS" TOGETHER WITH INVESTOR SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES THE "OFFERED SHARES").

Potential Bidders may note the following:

- The section titled, "Our Business" beginning on page 137 of the Draft Red Herring Prospectus, has been updated to reflect the key updates of the business of the Bank post the filing of the Draft Red Herring Prospectus. Please note that all other details in and updates to the section titled, "Our Business" will be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges.
- The Draft Red Herring Prospectus currently includes details of the Restated Financial Statements as at and for the financial years ended March 31, 2020, 2019 and 2018. Given that the Restated Financial Statements included in the Draft Red Herring Prospectus relates to a period prior to COVID-19, the section titled "Restated Financial Statements" beginning on page 219 of the Draft Red Herring Prospectus has been updated to provide the updated financials of the Bank, restated in accordance with the SEBI ICDR Regulations, as at and for the financial years ended March 31, 2020, 2019 and 2018 and nine month periods ended December 31, 2020 and December 31, 2019.
- The Draft Red Herring Prospectus currently includes certain financial measures and certain other statistical information relating to Bank's operations and financial performance for the financial years ended March 31, 2020, 2019 and 2018. Given that the financial measures and other statistical information included in the Draft Red Herring Prospectus relates to a period prior to COVID-19, the section titled "Selected Statistical Information" beginning on page 201 of the Draft Red Herring Prospectus has been updated to provide updated financial measures and certain other statistical information as at and for the nine month period ended December 31, 2020 and comparative information for the nine month period ended December 31, 2019, as applicable.

Potential Bidders may note that in order to assist the Bidders to get an understanding of the updated information, the relevant portion of the section titled "Our Business" and the sections titled "Selected Statistical Information" and "Restated Financial Information" of the Draft Red Herring Prospectus have been included in this Addendum. The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Draft Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. Investors should read the Red Herring Prospectus as and when filed with the RoC, the SEBI and the Stock Exchanges before making an investment decision in the Issue. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in the Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs".

For and on behalf of Suryoday Small Finance Bank Limited

Place: Navi Mumbai  
Date: February 8, 2021

Sd/-  
Geeta Krishnan  
Company Secretary and Compliance Officer

### BOOK RUNNING LEAD MANAGERS TO THE ISSUE

### REGISTRAR TO THE ISSUE

BOOK RUNNING LEAD MANAGERS TO THE ISSUE				REGISTRAR TO THE ISSUE
<b>Axis Capital Limited</b> 1st floor, Axis House C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: suryoday.ipo@axiscap.in Website: www.axiscapital.co.in Investor Grievance ID: complaints@axiscap.in Contact Person: Mayuri Arya SEBI Registration Number: INM000012029	<b>ICICI Securities Limited</b> ICICI Centre H. T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: suryoday.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Contact Person: Rishi Tiwari/ Nidhi Wangnoo SEBI Registration Number: INM000011179	<b>IIFL Securities Limited</b> 10 <sup>th</sup> Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 E-mail: suryoday.ipo@iiflcap.com Website: www.iiflcap.com Investor Grievance ID: ig.ib@iiflcap.com Contact Person: Ujjawal Kumar/ Vishal Bangard SEBI Registration Number: INM000010940	<b>SBI Capital Markets Limited</b> 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 E-mail: suryoday.ipo@sbicaps.com Website: www.sbicaps.com Investor Grievance ID: investor.relations@sbicaps.com Contact Person: Sambit Rath/ Janardhan Wagle SEBI Registration Number: INM000003531	<b>Kfin Technologies Private Limited</b> (formerly known as Karvy Fintech Private Limited) Selenium, Tower B, Plot No. - 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: suryodayasfb.ipo@kfintech.com Website: www.kfintech.com Investor grievance ID: einward.ris@kfintech.com Contact Person: M. Murali Krishna SEBI Registration Number: INR000000221

### BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON

BID/ISSUE CLOSES ON

10\*

10\*\*

\* Our Bank and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Bank and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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## OUR BUSINESS

### Recent Development – Effects of the COVID-19 Pandemic on our Business and Operations

#### *Background*

In late 2019, the COVID-19 pandemic emerged and by March 11, 2020 was declared a global pandemic by the World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, and closure of non-essential businesses. The COVID-19 pandemic has had, and continues to have, a significant impact on the Indian economy and the communities in which we operate. While the pandemic's effect on the macroeconomic environment has yet to be fully determined and could continue for months or years, we expect that the pandemic and governmental programs created as a response to the pandemic, will affect the core aspects of our business.

#### *Impact on our Bank's Operations*

With effect from March 24, 2020, in compliance with the lockdown orders announced by the Government of India, we temporarily closed certain of our Banking Outlets and substantially all of our employees were working remotely. Additionally, many of our customers, service providers and business correspondents/ direct selling agents temporarily ceased operating their respective enterprises. Although the nation-wide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing a spike in COVID-19 cases. On September 1, 2020, the Government of India allowed states to resume all activities and function normally, while continuing with restrictions only in certain containment zones.

#### *Action*

- Since our operations were deemed to be an 'essential service', most of our Banking Outlets and ATMs were operating during the nation-wide lockdown (i.e., between March 25, 2020 and May 31, 2020).
- Our Bank implemented a business continuity plan, which ensured that critical areas continue to operate smoothly and separate task force were formed to coordinate with our employees in the field and also for execution on the ground level. We believe that this ensured that minimum staff were present in the workplace in line with government guidelines. Where necessary, we have also ensured secondary back-up resources where primary resources were faced with technical or other issues.
- Employees working from home were provided with remote access.
- As of December 31, 2020, all of our Banking Outlets are operating. We continue to ensure availability of personal protective equipment such as sanitizers, masks, soaps and dry foods and essential items at the Banking Outlets for use by employees.
- Our human resources team has commenced daily communication activities and online training courses and we conduct daily team meetings across all businesses and functions through virtual means.
- In terms of connecting with customers, we have been able to connect with a majority of our customers through various channels of communication including through phone calls and text messages.

The measures adopted have been successful in ensuring business continuity and none of our critical functions suffered any major disruption during the period between March 25, 2020 and May 31, 2020. However, due to the nation-wide lockdown, collection and disbursement activities were halted during lock-down period and gradually commenced from June 2020.

#### **RBI and Government of India Initiatives**

The Government of India has announced various measures, such as emergency credit line guarantee scheme ("ECLGS") for corporate and retail customers and loan restructuring. During the nine months ended December 31, 2020, our Bank has disbursed 29,747 ECLGS loans amounting to ₹ 337.57 million. Our Bank has also restructured 12 accounts having outstanding loan balance of ₹ 23.44 million, under the aforementioned restructuring schemes to tackle COVID-19 related stress and to support the MSMEs.

On October 23, 2020, the Government of India announced a scheme for the grant of ex-gratia payments to borrowers of certain categories of loans where the sanctioned limit and outstanding amount does not exceed ₹ 20 million irrespective of whether they opted for the moratorium or not (aggregate of all facilities with the lender) of the difference between compound interest and simple interest charged on those loans for the period March 1, 2020 to August 31, 2020. The scheme involves the lenders crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 to the accounts of such borrowers and the government paying such credited

amounts to the lenders. Under this scheme, our Bank has paid out ₹ 8.49 million to our customers, as of December 31, 2020.

For information on the effect of the moratorium and the Supreme Court's interim order on our results of operations and financial condition as of and for the nine months ended December 31, 2020, see "Financial Statements – Note 7" on page 71.

## Advances

### Collections:

Our collection efficiency has been increasing across products/geographies.

The table below sets forth details of our collection efficiency for the month ended June 30, 2020, September 30, 2020 and December 31, 2020:

Product	Collection Efficiency (%) - One EMI Adjusted <sup>#</sup>			Collection Efficiency (%) <sup>^</sup>			Paying Customer* (%)		
	Month ended June 30, 2020	Month ended September 30, 2020	Month ended December 31, 2020	Month ended June 30, 2020	Month ended September 30, 2020	Month ended December 31, 2020	Month ended June 30, 2020	Month ended September 30, 2020	Month ended December 31, 2020
Inclusive Finance Loans	45.58%	68.59%	80.88%	45.58%	75.51%	112.05%	42.42%	68.47%	82.04%
Commercial Vehicle Loans	34.02%	76.60%	89.09%	45.21%	85.61%	103.28%	49.51%	68.45%	85.85%
Financial Intermediary Group Loans	83.38%	99.83%	100.00%	98.95%	107.36%	102.99%	100.00%	89.47%	100.00%
Affordable Housing Loans	56.60%	84.04%	94.43%	62.26%	91.32%	147.87%	83.14%	84.98%	96.50%
Secured Business Loans	37.27%	75.14%	88.34% <sup>**</sup>	55.73%	122.74%	139.37%	53.33%	70.44%	79.96%
Unsecured MSME / SME Loans	29.23%	50.30%	65.59%	35.71%	68.12%	74.55%	26.52%	36.74%	66.88%
Micro Business Loans (T-Nagar)	42.78%	65.34%	76.22%	51.20%	73.66%	96.38%	54.53%	69.74%	82.13%
<b>Total</b>	<b>45.74%</b>	<b>69.52%</b>	<b>81.96%</b>	<b>46.96%</b>	<b>77.07%</b>	<b>111.34%</b>	<b>42.49%</b>	<b>68.44%</b>	<b>82.04%</b>

#### Notes:

<sup>#</sup> Collection Efficiency – One EMI Adjusted - Calculated as the amount collected (including arrears, advance collection and collections done in the closed accounts), which is restricted to the demand of the month, as a percentage of the total amount due for collection in such month (including the due against the accounts under the moratorium and Gross NPAs).

<sup>^</sup> Collection Efficiency - Calculated as the amount collected (including arrears, advance collection and collections done in the closed accounts), as a percentage of the total amount due for collection in such month (including the due against the accounts under the moratorium and Gross NPAs).

\* Paying Customer - Calculated as the count of paying customers (including payment towards arrears, advance collections and collections done in the closed accounts), which is restricted to the demand of the month, as a percentage of the total count of the customers having due for collection in such month (including the due against the accounts under the moratorium and Gross NPAs).

\*\* Collection efficiency (one EMI restricted) for secured business loans (excluding small ticket size secured business loans i.e., defocused customer segment with inadequate documentation or credit history) was 95.59% for the month of December 2020.

The table below sets forth details of our state-wise collection efficiency for the month ended June 30, 2020, September 30, 2020 and December 31, 2020:

State	Collection Efficiency (%) - One EMI Adjusted <sup>#</sup>			Collection Efficiency (%) <sup>^</sup>			Paying Customer* (%)		
	Month ended June 30, 2020	Month ended September 30, 2020	Month ended December 31, 2020	Month ended June 30, 2020	Month ended September 30, 2020	Month ended December 31, 2020	Month ended June 30, 2020	Month ended September 30, 2020	Month ended December 31, 2020
Chhattisgarh	77.63%	76.73%	93.69%	77.69%	85.68%	118.81%	75.40%	94.20%	94.85%
Gujarat	64.93%	81.91%	88.41%	66.64%	90.57%	114.27%	60.88%	86.76%	88.93%
Karnataka	55.76%	79.20%	87.79%	56.00%	89.25%	124.33%	49.15%	76.86%	87.18%
Madhya Pradesh	49.75%	74.70%	83.62%	51.26%	89.26%	126.61%	43.98%	69.75%	83.50%
Maharashtra	34.93%	60.77%	73.91%	36.43%	66.04%	104.72%	28.68%	55.93%	72.29%
Odisha	48.16%	66.59%	84.95%	49.95%	74.59%	117.88%	47.84%	66.66%	85.51%
Tamil Nadu	43.56%	70.60%	82.96%	44.34%	77.45%	106.41%	40.75%	69.22%	82.73%
Telangana	14.14%	91.80%	96.64%	14.17%	94.89%	104.10%	52.94%	71.79%	92.86%
Uttar Pradesh	64.70%	81.25%	92.27%	65.86%	94.06%	122.05%	57.78%	77.60%	90.93%
Rajasthan	52.88%	85.63%	80.74%	52.88%	94.94%	83.13%	50.94%	85.32%	82.00%
<b>Total</b>	<b>45.74%</b>	<b>69.52%</b>	<b>81.96%</b>	<b>46.96%</b>	<b>77.07%</b>	<b>111.34%</b>	<b>42.49%</b>	<b>68.44%</b>	<b>82.04%</b>

Notes:

<sup>#</sup> Collection Efficiency – One EMI Adjusted - Calculated as the amount collected (including arrears, advance collection and collections done in the closed accounts), which is restricted to the demand of the month, as a percentage of the total amount due for collection in such month (including the due against the accounts under the moratorium and Gross NPAs).

<sup>^</sup> Collection Efficiency - Calculated as the amount collected (including arrears, advance collection and collections done in the closed accounts), as a percentage of the total amount due for collection in such month (including the due against the accounts under the moratorium and Gross NPAs).

\* Paying Customer - Calculated as the count of paying customers (including payment towards arrears, advance collections and collections done in the closed accounts), which is restricted to the demand of the month, as a percentage of the total count of the customers having due for collection in such month (including the due against the accounts under the moratorium and Gross NPAs).

### Asset quality

The Supreme Court in Gajendra Sharma v. Union of India and Another by its interim order dated September 3, 2020 has directed banks in India that accounts that were not declared NPA till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the case by Supreme Court. Pursuant to the order, our Bank has not classified any borrower's account which has not been declared as NPA as at August 31, 2020 as per the RBI Prudential Norms on Income Recognition, Asset Classification, Provisioning and Other Related Matters as NPAs after August 31, 2020. However, if we had classified borrower accounts as NPA after August 31, 2020, our Bank's gross NPA ratio as on December 31, 2020 would have been 9.28%, on a proforma basis, of this 8.49% pertains to new proforma GNPA (i.e., excluding the pre-COVID GNPA). After considering, the specific NPA provisions and floating provisions, net NPAs would have been 5.38%, on a proforma basis.

### Disbursements

In the nine months ended December 31, 2020, our disbursements were ₹ 11,597.37 million compared with ₹ 23,133.99 million in the nine months ended December 31, 2019.

The following table sets forth details of our Bank's disbursements across our product segments for the periods indicated:

Particulars	Quarter ended June 30, 2019	Quarter ended September 30, 2019	Quarter ended December 31, 2019	Quarter ended June 30, 2020	Quarter ended September 30, 2020	Quarter ended December 31, 2020
	(₹ million)					
Inclusive Finance Loans	6,139.27	7,038.07	5,902.22	0.09	2,330.78	5,964.97

Particulars	Quarter ended June 30, 2019	Quarter ended September 30, 2019	Quarter ended December 31, 2019	Quarter ended June 30, 2020	Quarter ended September 30, 2020	Quarter ended December 31, 2020
	(₹ million)					
Commercial Vehicle Loans	905.92	386.50	469.30	106.25	22.13	224.45
Affordable Housing Loans	223.90	320.50	319.65	15.33	234.94	450.49
Micro Business Loans (T-Nagar)	95.81	71.24	88.95	-	9.07	49.36
Unsecured MSME/SME	69.30	4.13	-	-	-	-
Secured Business Loans	120.67	178.10	148.02	0.81	167.78	251.73
Financial Intermediary Group Loans	102.50	350.00	200.00	-	780.00	650.00
Others*	-	-	-	-	77.64	261.55
<b>Total</b>	<b>7,657.37</b>	<b>8,348.54</b>	<b>7,128.14</b>	<b>122.48</b>	<b>3,622.34</b>	<b>7,852.55</b>

Notes:

\* Others includes overdrafts and staff loans

Our Bank has introduced overdraft facility (Smile OD accounts) for our inclusive finance customers. The table below sets out the number of outstanding accounts and balance as of December 31, 2020:

Number of accounts	Limit value (₹ million)	Accounts drawn	Balance outstanding (Overdraft value) (₹ million)	Balance outstanding (Deposit value) (₹ million)
302,918	2893.46	206,723	966.73	380.89

Additionally, our Bank has significantly digitized loan disbursement process for inclusive finance customers. As a part of our digitisation strategy, we have recently tied-up with a financial services entity to offer MSME loans up to ₹ 100,000 digitally.

We have also launched 'Micro Housing' finance loans (loans with ticket size of up to ₹ 1 million) mainly targeted at lower income inclusive finance customers.

## Liabilities

Our Bank had a debt to equity ratio of 4.06 as of December 31, 2020.

## Deposits

The following table sets forth, as at the dates indicated, deposits by each category of deposits and total borrowings.

Type of Deposit	As of June 30, 2020	As of September 30, 2020	As of December 31, 2020
	(₹ million)		
Current Accounts	478.53	464.71	496.68
Savings Accounts	2,926.48	3,020.07	3,957.23
Retail Term Deposits	14,341.59	18,662.07	19,756.78
Bulk Deposits	10,940.73	9,248.88	9,227.71
<b>Total Deposits</b>	<b>28,687.32</b>	<b>31,395.73</b>	<b>33,438.40</b>
<b>Total Borrowings</b>	<b>15,177.41</b>	<b>14,745.20</b>	<b>14,870.79</b>
<b>Grand Total</b>	<b>43,864.73</b>	<b>46,140.93</b>	<b>48,309.19</b>

We have entered into an arrangement with a payment bank to create fixed deposits for their customers.

## SELECTED STATISTICAL INFORMATION

The selected statistical information contained in this section is based on or derived from our Restated Financial Statements for Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020. The following discussion should be read together with the information included in the section "Financial Statements" included elsewhere in this Addendum.

The following information is included for analytical purposes. Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Addendum. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

Our Bank's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Addendum. Unless otherwise indicated average balances are the year to date quarterly averages as of April 1, June 30, September 30, December 31 and March 31 of each relevant year.

### Average Balance Sheet of our Bank

The tables below present the average balances for interest-earning assets and interest-bearing liabilities of our Bank together with the related interest income and expense amounts, resulting in the presentation of the average yields and cost for each period. The average balance is the average of advances and deposits for the period. The average yield on average assets is the ratio of interest earned to average interest-earning assets. The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities. Average interest earning assets, yields, average non-interest earning assets, average interest-bearing liabilities, average non-interest bearing liabilities, and cost of funds, are non-GAAP measures. The tables below set forth the reconciliation of such non-GAAP measures to the GAAP measures appearing in our Restated Financial Statements:

	Nine Months ended December 31,					
	2019			2020		
	Average Balance <sup>(1)</sup> D	Interest Earned <sup>(3)</sup> E	Yield (%) F=E/D	Average Balance <sup>(1)</sup> G	Interest Earned <sup>(3)</sup> H	Yield (%) I=H/G
	(₹ million, except percentages)					
Interest Earning Assets:						
i. Advances	30,244.05	5,155.48	22.73%* [17.05%]	35,500.95	5,442.14	20.44%* [15.33%]
ii. Investments	7,241.87	388.25	7.15%* [5.36%]	13,068.11	598.34	6.10%* [4.58%]
iii. Others <sup>(2)</sup>	1,671.83	88.42	7.05%* [5.29%]	6,927.16	203.01	3.91%* [2.93%]
Total	39,157.75	5,632.15	19.18%* [14.38%]	55,496.22	6,243.49	15.00%* [11.25%]
Non-Interest Earning Assets:						
iv. Fixed assets	227.36	-	0.00%	397.67	-	0.00%
v. Other assets	2,525.29	-	0.00%	3,266.64	-	0.00%
Total	2,752.65	-	0.00%	3,664.31	-	0.00%

	Nine Months Ended					
	2019			2020		
	Average Balance <sup>(1)</sup> D	Interest Expended E	Cost of Funds (%) F=E/D	Average Balance <sup>(1)</sup> G	Interest Expended H	Cost of Funds (%) I=H/G
	(₹ million, except percentages)					
Interest-Bearing Liabilities:						
i. Demand Deposit	269.71	-	0.00%	494.86	-	0.00%
ii. Saving Banks Deposit	1,933.52	102.02	7.04% * [5.28%]	3,087.48	127.66	5.51% * [4.13%]
iii. Term Deposits	18,245.30	1,188.71	8.69% * [6.52%]	26,766.27	1,647.99	8.21% * [6.16%]
iv. Total Deposits (i+ii+iii)	20,448.53	1,290.73	8.42% * [6.31%]	30,348.61	1,775.65	7.80% * [5.85%]
v. Borrowings	10,058.61	730.10	9.68% * [7.26%]	14,560.36	935.07	8.56% * [6.42%]
Total	30,507.14	2,020.83	8.83% * [6.62%]	44,908.97	2,710.72	8.05% * [6.04%]
Non-Interest Bearing Liabilities:						
vi. Capital	824.54	-	0.00%	886.67	-	0.00%
vii. Reserves & Surplus	8,758.83	-	0.00%	10,689.11	-	0.00%
viii. Shareholders' equity (vi + vii)	9,583.37	-	0.00%	11,575.78	-	0.00%
ix. Other liabilities & Provision	1,819.89	-	0.00%	2,675.80	-	0.00%
Total	11,403.26	-	0.00%	14,251.58	-	0.00%

\*Annualized. Figures in square brackets represent unannualized figures

Notes:

- (1) Average balances are the quarterly averages as of April 1, June 30, September 30, December 31 and March 31 of each relevant year.  
(2) Includes balances with Reserve Bank of India in other accounts, balances with banks in other deposit accounts, money at call and short notice.  
(3) Interest earned on advances include interest on advances and gain on securitization and direct assignment transactions. Interest earned on others includes interest on balance with RBI, inter-bank and other funds.

	Year ended March 31,								
	2018			2019			2020		
	Average Balance <sup>(1)</sup> A	Interest Earned <sup>(3)</sup> B	Yield (%) C=B/A	Average Balance <sup>(1)</sup> D	Interest Earned <sup>(3)</sup> E	Yield (%) F=E/D	Average Balance <sup>(1)</sup> G	Interest Earned <sup>(3)</sup> H	Yield (%) I=H/G
	(₹ million, except percentages)								
Interest Earning Assets:									
i. Advances	11,437.88	2,580.43	22.56%	21,069.30	4,932.89	23.41%	31,299.09	7,022.74	22.44%
ii. Investments	3,592.14	223.80	6.23%	4,748.23	337.23	7.10%	7,557.68	528.51	6.99%
iii. Others <sup>(2)</sup>	914.27	64.59	7.06%	780.82	30.95	3.96%	2,321.84	115.60	4.98%
Total	15,944.29	2,868.82	17.99%	26,598.35	5,301.07	19.93%	41,178.61	7,666.85	18.62%
Non-Interest Earning Assets:									
iv. Fixed assets	124.10	-	-	141.75	-	-	257.35	-	-
v. Other assets	1,059.60	-	-	1,736.26	-	-	2,438.92	-	-
Total	1,183.70	-	-	1,878.01	-	-	2,696.27	-	-

	Year ended March 31,								
	2018			2019			2020		
	Average Balance <sup>(1)</sup> A	Interest Expended B	Cost of Funds (%) C=B/A	Average Balance <sup>(1)</sup> D	Interest Expended E	Cost of Funds (%) F=E/D	Average Balance <sup>(1)</sup> G	Interest Expended H	Cost of Funds (%) I=H/G
	(₹ million, except percentages)								
Interest-Bearing Liabilities:									



i. Demand Deposit	28.21	-	-	142.33	-	-	314.25	-	-
ii. Saving Banks Deposit	257.33	16.29	6.33%	933.30	62.33	6.68%	2,117.40	148.84	7.03%
iii. Term Deposits	2,858.18	227.98	7.98%	9,210.26	766.81	8.33%	19,579.84	1,669.46	8.53%
iv. <b>Total Deposits (i+ii+iii)</b>	3,143.72	244.27	7.77%	10,285.89	829.14	8.06%	22,011.49	1,818.30	8.26%
v. Borrowings	8,159.67	966.25	11.84%	10,812.69	1,068.19	9.88%	10,233.39	939.50	9.18%
<b>Total</b>	11,303.39	1,210.52	10.71%	21,098.58	1,897.33	8.99%	32,244.87	2,757.80	8.55%
<b>Non-Interest Bearing Liabilities:</b>									
vi. Capital	653.55	-	-	693.35	-	-	834.54	-	-
vii. Reserves & Surplus	4,461.00	-	-	5,426.95	-	-	9,029.93	-	-
viii. <b>Shareholders' equity (vi + vii)</b>	5,114.55	-	-	6,120.30	-	-	9,864.47	-	-
ix. Other liabilities & Provision	710.06	-	-	1,257.49	-	-	1,765.55	-	-
<b>Total</b>	5,824.61	-	-	7,377.79	-	-	11,630.01	-	-

Notes:

- (1) Average balances are the year to date quarterly averages as of April 1, June 30, September 30, December 31 and March 31 of each relevant year.
- (2) Includes balances with Reserve Bank of India in other accounts, balances with banks in other deposit accounts, money at call and short notice.
- (3) Interest earned on advances include interest on advances and gain on securitization and direct assignment transactions. Interest earned on others includes interest on balance with RBI, inter-bank and other funds.

### Analysis of Changes in Interest Income and Interest Expense by Volume and Rate

The following tables sets forth, for the periods indicated, details of our Bank's interest income, interest expense and Net Interest Income and the allocation of the changes in our Bank's interest income and interest expense between average volume and changes in average rates. The changes in Net Interest Income between periods have been reflected as attributed either to volume or rate changes. For the purposes of these tables, changes that are due to both volume and rate have been allocated solely to changes in rate.

	Nine Months Ended December 31, 2019 vs. Nine Months Ended December 31, 2020		
	Increase (Decrease) Due to		
	Net Change in Interest <sup>(1)</sup>	Change in Average Volume <sup>(2)</sup>	Change in Average Rate <sup>(3)</sup>
	(₹ million, except percentages)		
<b>Interest Income</b>			
Advances	286.66	896.11	(609.45)
Investments	210.09	312.36	(102.27)
Others	114.59	277.94	(163.35)
<b>Total interest-earning assets</b>	611.34	2,350.00	(1,738.66)
<b>Interest Expense</b>			
Deposits <sup>#</sup>	484.92	624.90	(139.98)
Borrowings	204.97	326.76	(121.79)
<b>Total interest-bearing liabilities</b>	689.89	953.99	(264.10)
<b>Net Interest Income</b>	(78.55)	1,396.01	(1,474.56)

Notes:

- (1) The changes in interest earned, interest expended and net interest income between periods have been reflected as attributed either to volume or rate changes. For purposes of this table, changes that are due to both volume and rate have been allocated solely to changes in rate.
- (2) Change in average volume is computed as increase in average balances for the year multiplied by yield/cost for nine months ended 31 December 2019.
- (3) Change in average rate represents the average balance for nine months ended 31 December 2020 multiplied by change in rates during the respective periods during the relevant period.

# Deposits include saving deposits, current deposits and term deposits.

	Fiscal 2019 vs. Fiscal 2020		
	Increase (Decrease) Due to		
	Net Change in Interest <sup>(1)</sup>	Change in Average Volume <sup>(2)</sup>	Change in Average Rate <sup>(3)</sup>
	(₹ million, except percentages)		
<b>Interest Income</b>			
Advances	2,089.85	2,395.07	(305.22)

	Fiscal 2019 vs. Fiscal 2020		
	Increase (Decrease) Due to		
	Net Change in Interest <sup>(1)</sup>	Change in Average Volume <sup>(2)</sup>	Change in Average Rate <sup>(3)</sup>
	(₹ million, except percentages)		
Investments	191.28	199.53	(8.25)
Others	84.65	61.08	23.57
<b>Total interest-earning assets</b>	<b>2,365.78</b>	<b>2,905.86</b>	<b>(540.08)</b>
<b>Interest Expense</b>			
Deposits <sup>#</sup>	989.16	945.19	43.97
Borrowings	(128.69)	(57.23)	(71.46)
<b>Total interest-bearing liabilities</b>	<b>860.47</b>	<b>1,002.35</b>	<b>(141.88)</b>
<b>Net Interest Income</b>	<b>1,505.31</b>	<b>1,903.50</b>	<b>(398.19)</b>

Notes:

- (1) The changes in interest earned, interest expended and net interest income between periods have been reflected as attributed either to volume or rate changes. For purposes of this table, changes that are due to both volume and rate have been allocated solely to changes in rate.
- (2) Change in average volume is computed as increase in average balances for the year multiplied by yield/cost for Fiscal 2019.
- (3) Change in average rate represents the average balance for Fiscal 2020 multiplied by change in rates during the respective periods during the relevant period.

# Deposits include saving deposits, current deposits and term deposits.

	Fiscal 2018 vs. Fiscal 2019		
	Increase (Decrease) Due to		
	Net Change in Interest <sup>(1)</sup>	Change in Average Volume <sup>(2)</sup>	Change in Average Rate <sup>(3)</sup>
	(₹ million, except percentages)		
<b>Interest Income</b>			
Advances	2,352.46	2,172.89	179.57
Investments	113.43	72.03	41.40
Others	(33.64)	(9.43)	(24.21)
<b>Total interest-earning assets</b>	<b>2,432.25</b>	<b>1,916.96</b>	<b>515.29</b>
<b>Interest Expense</b>			
Deposits <sup>#</sup>	584.87	554.95	29.92
Borrowings	101.94	314.17	(212.23)
<b>Total interest-bearing liabilities</b>	<b>686.81</b>	<b>1,049.00</b>	<b>(362.19)</b>
<b>Net Interest Income</b>	<b>1,745.44</b>	<b>867.96</b>	<b>877.48</b>

Notes:

- (1) The changes in interest earned, interest expended and net interest income between periods have been reflected as attributed either to volume or rate changes. For purposes of this table, changes that are due to both volume and rate have been allocated solely to changes in rate.
- (2) Change in average volume is computed as increase in average balances for the year multiplied by yield/cost for Fiscal 2018.
- (3) Change in average rate represents the average balance for Fiscal 2019 multiplied by change in rates during the respective periods during the relevant period.

# Deposits include saving deposits, current deposits and term deposits.

## Yields, Spreads and Margins

The following tables set forth, for Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020, the yields, spreads and interest margins on our Bank's interest-earning assets.

	Nine Months ended December 31,	
	2019	2020
	(₹ million, except percentages)	
i. Interest on advances	5,155.48	5,442.14
ii. Total Interest Income	5,632.15	6,243.49
iii. Interest expense	2,020.83	2,710.72
iv. Total Average Interest Earning Assets <sup>(1)</sup>	39,157.75	55,496.22
v. Average Balance of Gross Loan Portfolio	33,242.59	36,851.62
vi. Average Balance of Advances	30,244.05	35,500.95
vii. Total Average Interest Bearing Liabilities <sup>(2)</sup>	30,507.14	44,908.97
viii. Total Average Assets <sup>(3)</sup>	41,910.40	59,160.54
ix. Net Interest Income <sup>(4)</sup>	3,611.32	3,532.77
x. Average Balance of Advances as a percentage of Total Average Assets [vi/viii]	72.16%	60.01%

	Nine Months ended December 31,	
	2019	2020
	(₹ million, except percentages)	
xi. Total Average Interest Bearing Liabilities as a percentage of Total Average Assets [vii/viii]	72.79%	75.91%
xii. Average Balance of Advances as a percentage of Total Average Interest-Bearing Liabilities [vi/vii]	99.14%	79.05%
xiii. Yield on Interest Earning Assets <sup>(5)</sup> *	19.18%* [14.38%]	15.00%* [11.25%]
xiv. Yield on Gross Loan Portfolio <sup>(6)</sup> *	21.05%* [15.79%]	19.76%* [14.82%]
xv. Cost of Funds <sup>(7)</sup> *	8.83%* [6.62%]	8.05%* [6.04%]
xvi. Spread <sup>(8)</sup> *	12.22%* [9.17%]	11.71%* [8.78%]
xvii. Net Interest Margin <sup>(9)</sup> *	12.30%* [9.22%]	8.49%* [6.36%]
xviii. Other income to Total income Ratio <sup>(10)</sup> *	13.44%* [10.08%]	12.56%* [9.42%]
xix. Credit Cost <sup>(11)</sup> *	2.15%* [1.61%]	1.54%* [1.15%]
xx. Cost of Borrowings <sup>(12)</sup> *	9.68%* [7.26%]	8.56%* [6.42%]

\*Annualized. Figures in square brackets represent unannualized figures

Notes:

- (1) Total Average Interest Earning Assets are interest-earning assets calculated on the basis of quarterly average.
- (2) Total Average Interest Bearing Liabilities are interest-bearing liabilities calculated on the basis of quarterly average.
- (3) Total Average Assets are total assets calculated on the basis of quarterly average.
- (4) Net Interest Income is difference of interest earned and interest expended.
- (5) Yield on Interest Earning Assets is interest earned divided by Total Average Interest Earning Assets.
- (6) Yield on Gross Loan Portfolio is interest on advance divided by Average Balance of Gross Loan Portfolio.
- (7) Cost of Funds is interest expended divided by Total Average Interest Bearing Liabilities calculated on the basis of quarterly average.
- (8) Spread is difference between Yield on Gross Loan Portfolio and Cost of Funds.
- (9) Net Interest Margin is the difference of interest earned and interest expended divided by the Total Average Interest Earning Assets calculated on the basis of quarterly average.
- (10) Other income to Total income Ratio is calculated as a ratio of other income divided by Total income (total of Interest earned and Other income).
- (11) Credit Cost divided by Average Balance of Advances. Credit cost includes provision made for standard assets and NPAs and technical/prudential write off and excludes credit cost for securitized assets.
- (12) Represents the ratio of Interest on RBI/inter-bank borrowings and other interest to the Average Balance of Borrowings.

	Year ended March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
i. Interest on advances	2,580.43	4,932.89	7,022.74
ii. Total Interest Income	2,868.82	5,301.07	7,666.85
iii. Interest expense	1,210.52	1,897.33	2,757.80
iv. Total Average Interest Earning Assets <sup>(1)</sup>	15,944.29	26,598.36	41,178.61
v. Average Balance of Gross Loan Portfolio	12,259.53	23,213.20	34,070.31
vi. Average Balance of Advances	11,437.88	21,069.30	31,299.09
vii. Total Average Interest Bearing Liabilities <sup>(2)</sup>	11,303.39	21,098.58	32,244.87
viii. Total Average Assets <sup>(3)</sup>	17,127.99	28,476.37	43,874.88
ix. Net Interest Income <sup>(4)</sup>	1,658.30	3,403.74	4,909.05
x. Average Balance of Advances as a percentage of Total Average Assets [vi/viii]	66.78%	73.99%	71.34%
xi. Total Average Interest Bearing Liabilities as a percentage of Total Average Assets [vii/viii]	65.99%	74.09%	73.49%
xii. Average Balance of Advances as a percentage of Total Average Interest-Bearing Liabilities [vi/vii]	101.19%	99.86%	97.07%
xiii. Yield on Interest Earning Assets <sup>(5)</sup>	17.99%	19.93%	18.62%
xiv. Yield on Gross Loan Portfolio <sup>(6)</sup>	21.41%	21.78%	20.93%
xv. Cost of Funds <sup>(7)</sup>	10.71%	8.99%	8.55%
xvi. Spread <sup>(8)</sup>	10.70%	12.79%	12.38%
xvii. Net Interest Margin <sup>(9)</sup>	10.40%	12.80%	11.92%
xviii. Other income to Total income Ratio <sup>(10)</sup>	11.71%	11.21%	10.24%
xix. Credit Cost <sup>(11)</sup>	4.55%	2.12%	2.06%

	Year ended March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
xx. Cost of Borrowings <sup>(12)</sup>	11.84%	9.88%	9.18%

Notes:

- (1) Total Average Interest Earning Assets are interest-earning assets calculated on the basis of quarterly average.
- (2) Total Average Interest Bearing Liabilities are interest-bearing liabilities calculated on the basis of quarterly average.
- (3) Total Average Assets are total assets calculated on the basis of quarterly average.
- (4) Net Interest Income is difference of interest earned and interest expended.
- (5) Yield on Interest Earning Assets is interest earned divided by Total Average Interest Earning Assets.
- (6) Yield on Gross Loan Portfolio is interest on advance divided by Average Balance of Gross Loan Portfolio.
- (7) Cost of Funds is interest expended divided by Total Average Interest Bearing Liabilities calculated on the basis of quarterly average.
- (8) Spread is difference between Yield on Gross Loan Portfolio and Cost of Funds.
- (9) Net Interest Margin is the difference of interest earned and interest expended divided by the Total Average Interest Earning Assets calculated on the basis of quarterly average.
- (10) Other income to Total income Ratio is calculated as a ratio of other income divided by Total income (total of Interest earned and Other income).
- (11) Credit Cost divided by Average Balance of Advances. Credit cost includes provision made for standard assets and NPAs and technical/prudential write off and excludes credit cost for securitized assets.
- (12) Represents the ratio of Interest on RBI/inter-bank borrowings and other interest to the Average Balance of Borrowings.

## Financial Ratios of our Bank

The following table sets forth certain key financial indicators as of and for Fiscal 2018, 2019 and 2020 and as of and for the nine months ended December 31, 2019 and 2020, for our Bank.

	As of and for the Nine Months ended December 31,	
	2019	2020
Net profit as a percentage of Average Shareholders' Equity <sup>(1) *</sup>	17.62% * [13.22%]	6.32% * [4.74%]
Return on Total Average Assets <sup>(2) *</sup>	4.03% * [3.02%]	1.24% * [0.93%]
Dividend Payout Ratio <sup>(3) # *</sup>	NA	NA
Operating Expenses to Total Average Assets	5.99% * [4.49%]	5.22% * [3.91%]
Average Shareholders' Equity to Total Average Assets <sup>(4)</sup>	22.87%	19.57%
Credit to Deposit ratio <sup>(5)</sup>	242.52%	162.46%
Retail Term Deposit to Total Term Deposit Ratio	45.30%	68.16%
CASA Ratio <sup>(6)</sup>	11.93%	13.32%
Cost to Income Ratio <sup>(7)</sup>	44.40%	55.39%

\*Annualized. Figures in square brackets represent unannualized figures

Notes:

- (1) Return on Average Shareholders' Equity is the ratio of the Net profit for the year to the Average Shareholders' Equity (sum of quarterly average of Capital & Reserves and Surplus).
- (2) Return on Total Average Assets is the ratio of the Net profit for the year to the Total Average Assets.
- (3) Dividend Payout Ratio is the ratio of dividend to adjusted net profit (after dividend tax).
- (4) Average Shareholders' Equity to Total Average Assets is computed by dividing the sum of Average Balance of Capital & Average Balance of Reserves and Surplus by the Total Average Assets.
- (5) Credit to Deposit Ratio is computed by dividing Advances excluding advances to banks by Deposits excluding deposits from banks.
- (6) CASA Ratio is the ratio of the sum of Demand Deposits and Savings Bank Deposits to total deposits.
- (7) Cost to Income Ratio is calculated as a ratio of operating expenses divided by net operating income (net operating income is sum of net interest income and other income).

# Dividend payout ratio is not applicable as we did not declare any dividend on our Equity Shares.

	As of and for the year ended March 31,		
	2018	2019	2020
Net profit as a percentage of Average Shareholders' Equity <sup>(1)</sup>	2.25%	14.77%	11.27%
Return on Total Average Assets <sup>(2)</sup>	0.67%	3.17%	2.53%
Dividend Payout Ratio <sup>(3) #</sup>	N.A.	N.A.	N.A.
Operating Expenses to Total Average Assets	7.67%	6.70%	6.20%
Average Shareholders' Equity to Total Average Assets <sup>(4)</sup>	29.86%	21.49%	22.48%
Credit to Deposit ratio <sup>(5)</sup>	451.27%	276.78%	220.51%
Retail Term Deposit to Total Term Deposit Ratio	33.92%	35.67%	48.55%
CASA Ratio <sup>(6)</sup>	11.03%	11.25%	11.45%
Cost to Income Ratio <sup>(7)</sup>	64.44%	46.83%	47.05%

Notes:

- (1) Return on Average Shareholders' Equity is the ratio of the Net profit for the year to the Average Shareholders' Equity (sum of quarterly average of Capital & Reserves and Surplus).
- (2) Return on Total Average Assets is the ratio of the Net profit for the year to the Total Average Assets.

- (3) Dividend Payout Ratio is the ratio of dividend to adjusted net profit (after dividend tax). Our Bank did not declare / payout any dividend in Fiscal 2018, 2019 and 2020.
- (4) Average Shareholders' Equity to Total Average Assets is computed by dividing the sum of Average Balance of Capital & Average Balance of Reserves and Surplus by the Total Average Assets.
- (5) Credit to Deposit Ratio is computed by dividing Advances excluding advances to banks by Deposits excluding deposits from banks.
- (6) CASA Ratio is the ratio of the sum of Demand Deposits and Savings Bank Deposits to total deposits.
- (7) Cost to Income Ratio is calculated as a ratio of operating expenses divided by net operating income (net operating income is sum of net interest income and other income).
- # Dividend payout ratio is not applicable as we did not declare any dividend on our Equity Shares.

## Return on Equity and Assets

The following table presents selected financial ratios for our Bank for Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020:

	Nine Months Ended December 31,	
	2019	2020
	₹ million, except percentages	
i. Net profit for the year	1,266.78	548.66
ii. Average Shareholders' Equity <sup>(1)</sup>	9,583.37	11,575.78
iii. Total Average Assets	41,910.40	59,160.54
iv. Net profit as a percentage of Total Average Assets (i/iii) *	4.03% * [3.02%]	1.24% * [0.93%]
v. Net profit as a percentage of Average Shareholders' Equity (i/ii) *	17.62% * [13.22%]	6.32% * [4.74%]
vi. Average shareholders' equity as a percentage of Total Average Assets (ii/iii)	22.87%	19.57%
vii. Gross Loan Portfolio	35,998.54	39,082.29
viii. Advances	33,609.03	37,822.63
ix. Net profit as a percentage of Gross Loan Portfolio *	4.69% * [3.52%]	1.87% * [1.40%]
x. Net profit as a percentage of advances *	5.03% * [3.77%]	1.93% * [1.45%]

\*Annualized. Figures in square brackets represent unannualized figures

Notes:

- (1) Average Shareholders' Equity represents the sum of quarterly average of capital and reserves and surplus.

	Fiscal		
	2018	2019	2020
	₹ million, except percentages		
i. Net profit for the year	114.92	903.98	1,111.98
ii. Average Shareholders' Equity <sup>(1)</sup>	5,114.55	6,120.30	9,864.46
iii. Total Average Assets	17,127.99	28,476.37	43,874.88
iv. Net profit as a percentage of Total Average Assets (i/iii)	0.67%	3.17%	2.53%
v. Net profit as a percentage of Average Shareholders' Equity (i/ii)	2.25%	14.77%	11.27%
vi. Average shareholders' equity as a percentage of Total Average Assets (ii/iii)	29.86%	21.49%	22.48%
vii. Gross Loan Portfolio	17,177.84	29,704.42	37,108.42
viii. Advances	15,686.78	26,795.84	35,319.44
ix. Net profit as a percentage of Gross Loan Portfolio	0.67%	3.04%	3.00%
x. Net profit as a percentage of advances	0.73%	3.37%	3.15%

Notes:

- (1) Average Shareholders' Equity represents the sum of quarterly average of capital and reserves and surplus.

## Funding

### Deposits

Our Bank's funding operations are designed to ensure stability and effective liquidity management. Our Bank's primary sources of funds are deposits from retail customers. Retail term deposits raised were 33.92%, 35.67%, 48.55%, 45.30% and 68.16% of total term deposits as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020, respectively. Of our Bank's total deposits as of December 31, 2020, 1.49% was demand deposits and 11.83% were savings bank deposits and 86.68% were term deposits.

	Nine Months ended December 31,	
	2019	2020
	(₹ million, except percentages)	
i. Deposits	24,913.57	33,438.40
ii. Average Balance of Deposits <sup>(1)</sup>	20,448.53	30,348.61
iii. Interest on deposits	1,290.73	1,775.65
iv. Average interest rate <sup>(2)</sup> (iii/ii)	8.42% * [6.31%]	7.80% * [5.85%]

\*Annualized. Figures in square brackets represent unannualized figures

Notes:

(1) Average Balance of Deposits represents sum of quarterly average Demand Deposits, Term Deposits and Savings Bank Deposits.

(2) Represents the ratio of interest on deposits to the Average Balance of Deposits.

	Year ended March 31,		
	2018 <sup>#</sup>	2019	2020
	(₹ million, except percentages)		
i. Deposits	7,495.22	15,934.25	28,487.15
ii. Average Balance of Deposits <sup>(1)</sup>	3,143.72	10,285.89	22,011.49
iii. Interest on deposits	244.27	829.14	1,818.30
iv. Average interest rate <sup>(2)</sup> (iii/ii)	7.77%	8.06%	8.26%

Notes:

(1) Average Balance of Deposits represents sum of quarterly average Demand Deposits, Term Deposits and Savings Bank Deposits.

(2) Represents the ratio of interest on deposits to the Average Balance of Deposits.

### Cost of Deposits

As of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020, the average cost (interest expense divided by the average of balance for the relevant period) of savings bank deposits was 6.33%, 6.68%, 7.03%, 7.04%\* and 5.51%\*, respectively, and the average cost of term deposits was 7.98%, 8.33%, 8.53%, 8.69% and 8.21%\*, respectively.

\*Annualized

The following tables set forth, for the periods indicated, our Bank's deposits and the percentage composition by each category of deposits.

The deposits for the nine months ended December 31, 2019 and 2020, are as follows:

	Nine Months ended December 31,			
	2019		2020	
	Amount	% of Total	Amount	% of Total
	(₹ million, except percentages)			
Demand Deposits <sup>(1)</sup>	309.74	1.24%	496.68	1.49%
Savings Bank Deposits	2,663.53	10.69%	3,957.23	11.83%
Term Deposits	21,940.30	88.07%	28,984.49	86.68%
<b>Total Deposits</b>	<b>24,913.57</b>	<b>100.00%</b>	<b>33,438.40</b>	<b>100.00%</b>

Notes:

(1) Demand deposits do not bear interest and are therefore carried at zero cost.

The deposits for Fiscal 2018, 2019 and 2020, are as follows:

	Year ended March 31,					
	2018		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(₹ million, except percentages)					
Demand Deposits <sup>(1)</sup>	146.16	1.95%	460.63	2.89%	585.99	2.06%
Savings Bank Deposits	680.53	9.08%	1,331.82	8.36%	2,674.54	9.39%
Term Deposits	6,668.53	88.97%	14,141.80	88.75%	25,226.62	88.55%
<b>Total Deposits</b>	<b>7,495.22</b>	<b>100.00%</b>	<b>15,934.25</b>	<b>100.00%</b>	<b>28,487.15</b>	<b>100.00%</b>

Notes:

(2) Demand deposits do not bear interest and are therefore carried at zero cost.

The details of Retail Deposits (excluding demand deposits and savings deposits) and Bulk Deposits as of and for the nine months ended December 31, 2019 and 2020, are as set forth below:

	Nine Months ended December 31,			
	2019		2020	
	Amount	% of Total	Amount	% of Total
	(₹ million, except percentages)			
<b>Term Deposits</b>				
Retail Term Deposits	9,939.48	45.30%	19,756.78	68.16%
Bulk Deposits	12,000.82	54.70%	9,227.71	31.84%
<b>Total Term Deposits</b>	<b>21,940.30</b>	<b>100.00%</b>	<b>28,984.49</b>	<b>100.00%</b>

Notes:

- (1) Retail term deposit are deposits below ₹ 20 million. Retail deposits are deposits sourced primarily by our Banking Outlets and includes staff deposits.
- (2) Bulk term deposits are deposits of ₹ 20 million and above. Bulk deposits include deposits from financial institutions, banks (including co-operative banks), TASC and government offices.

The details of Retail Deposits (excluding demand deposits and savings deposits) and Bulk Deposits as of and for Fiscal 2018, 2019 and 2020, are as set forth below:

	Year ended March 31,					
	2018		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(₹ million, except percentages)					
<b>Term Deposits</b>						
Retail Term Deposits	2,262.21	33.92%	5,045.01	35.67%	12,248.36	48.55%
Bulk Deposits	4,406.32	66.08%	9,096.79	64.33%	12,978.26	51.45%
<b>Total Term Deposits</b>	<b>6,668.53</b>	<b>100.00%</b>	<b>14,141.80</b>	<b>100.00%</b>	<b>25,226.62</b>	<b>100.00%</b>

Notes:

- (1) Retail term deposit are deposits below ₹ 20 million. Retail deposits are deposits sourced primarily by our Banking Outlets and includes staff deposits.
- (2) Bulk term deposits are deposits of ₹ 20 million and above. Bulk deposits include deposits from financial institutions, banks (including co-operative banks), TASC and government offices.

The table below sets forth our Bank's average ticket size of deposits as of December 31, 2019 and 2020:

	As of December 31,	
	2019	2020
	(₹)	
Demand Deposits	83,531.63	88,707.93
Savings Bank Deposits	55,589.74	11,813.02
Term Deposits	393,484.42	386,367.15

The table below sets forth our Bank's average ticket size of deposits as of March 31, 2018, 2019 and 2020:

	As of March 31,		
	2018	2019	2020
	(₹)		
Demand Deposits	185,639.86	239,912.31	137,169.42
Savings Bank Deposits	79,986.60	64,094.71	43,556.39
Term Deposits	872,279.33	464,579.37	397,902.45

#### Category of Deposits Based on Location of Branches

	As of December 31,	
	2019	2020
	(₹)	
Metropolitan	20,066.74	25,822.85
Urban	4,278.55	6,412.00
Semi-Urban	117.07	611.30
Rural	451.21	592.25
<b>Total</b>	<b>24,913.57</b>	<b>33,438.40</b>

	As of March 31,		
	2018	2019	2020
	(₹)		
Metropolitan	5,723.11	11,263.89	20,692.08
Urban	1,477.28	4,142.92	7,128.57
Semi-Urban	-	34.68	165.59
Rural	294.83	492.76	500.91
<b>Total</b>	<b>7,495.22</b>	<b>15,934.25</b>	<b>28,487.15</b>

### ***Concentration of Deposits***

The following table presents an analysis of our deposits by region as of the dates indicated:

States	As of December 31,	
	2019	2020
	(₹ million)	
Maharashtra	14,679.49	16,455.21
Tamil Nadu	4,908.01	7,881.74
Karnataka	1,017.78	2,424.95
Madhya Pradesh	1,209.60	550.21
Gujarat	566.54	1,574.67
Odisha	684.53	1,064.96
Telangana	528.77	539.82
Delhi	424.65	1,295.19
Uttar Pradesh	386.25	704.66
Chandigarh	-	164.55
Chhattisgarh	-	12.07
Puducherry	507.95	770.37
<b>Total</b>	<b>24,913.57</b>	<b>33,438.40</b>

States	As of March 31,		
	2018	2019	2020
	(₹ million)		
Maharashtra	5,066.74	10,168.45	16,961.25
Tamil Nadu	1,349.97	3,490.47	5,635.27
Karnataka	-	166.73	1,255.15
Madhya Pradesh	513.40	634.16	908.22
Gujarat	160.59	377.24	845.18
Odisha	291.40	449.99	750.29
Telangana	-	34.36	616.51
Delhi	-	276.18	610.84
Uttar Pradesh	-	9.03	308.45
Chandigarh	-	-	24.15
Chhattisgarh	-	-	0.14
Puducherry	113.12	327.63	571.70
<b>Total</b>	<b>7,495.22</b>	<b>15,934.25</b>	<b>28,487.15</b>

### ***Borrowings***

The following tables set forth, for Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020, information related to our Bank's borrowings.

	As of December 31,	
	2019	2020
	(₹)	



	As of December 31,	
	2019	2020
	(₹)	
i. Borrowings	8,869.30	14,870.79
ii. Average Balance of Borrowings	10,058.61	14,560.36
iii. Interest on RBI/Inter-bank borrowings and Other interest	730.10	935.07
iv. Cost of Borrowings <sup>(1)</sup> (iii/ii)	9.68% * [7.26%]	8.56% * [6.42%]
v. Average cost of subordinated debt <sup>(2)</sup>	15.36% * [11.52%]	11.61% * [8.71%]
vi. Cost of average refinance borrowings <sup>(3)</sup>	9.55% * [7.16%]	8.65% * [6.49%]

\*Annualized. Figures in square brackets represent unannualized figures

Notes:

- (1) Represents the ratio of interest on RBI/inter-bank borrowings and other interest to the Average Balance of Borrowings.
- (2) Average cost of subordinated debt represents the ratio of interest expended on subordinated to average subordinated debt calculated on the basis of quarterly average.
- (3) Cost of average refinance borrowings represents the ratio of interest expended on refinance borrowings to average refinance borrowings calculated on the basis of quarterly average.

	Year ended March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
i. Borrowings	7,178.32	11,242.28	12,646.15
ii. Average Balance of Borrowings	8,159.67	10,812.69	10,233.39
iii. Interest on RBI/Inter-bank borrowings and Other interest	966.25	1,068.19	939.50
iv. Cost of Borrowings <sup>(1)</sup> (iii/ii)	11.84%	9.88%	9.18%
v. Average cost of subordinated debt <sup>(2)</sup>	10.99%	15.32%	15.30%
vi. Cost of average refinance borrowings <sup>(3)</sup>	8.89 %	9.00%	9.12%

Notes:

- (1) Represents the ratio of interest on RBI/inter-bank borrowings and other interest to the Average Balance of Borrowings.
- (2) Average cost of subordinated debt represents the ratio of interest expended on subordinated to average subordinated debt calculated on the basis of quarterly average.
- (3) Cost of average refinance borrowings represents the ratio of interest expended on refinance borrowings to average refinance borrowings calculated on the basis of quarterly average.

	As of December 31,			
	2019		2020	
	Amount	% of Total	Amount	% of Total
	(₹ million, except percentages)			
<b>[A] Deposits</b>				
Demand Deposits	309.74	0.92%	496.68	1.03%
Savings Bank Deposits	2,663.53	7.88%	3,957.23	8.19%
Term Deposits	21,940.30	64.95%	28,984.49	60.00%
<b>Total [A]</b>	<b>24,913.57</b>	<b>73.75%</b>	<b>33,438.40</b>	<b>69.22%</b>
<b>[B] Borrowings</b>				
Reserve Bank of India	-	0.00%	-	0.00%
Other banks	8.52	0.03%	-	0.00%
Other institutions and agencies	8,210.78	24.30%	13,470.79	27.88%
Tier II Capital (Non-convertible debentures)	600.00	1.78%	1,400.00	2.90%
Bonds and Debentures (excluding subordinated debt)	50.00	0.15%	-	0.00%
<b>Total [B]</b>	<b>8,869.30</b>	<b>26.25%</b>	<b>14,870.79</b>	<b>30.78%</b>
<b>Total [A + B]</b>	<b>33,782.87</b>	<b>100.00%</b>	<b>48,309.19</b>	<b>100.00%</b>

	As of March 31,					
	2018		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(₹ million, except percentages)					
<b>[A] Deposits</b>						
Demand Deposits	146.16	1.11%	460.63	1.72%	585.99	1.42%
Savings Bank Deposits	680.53	5.17%	1,331.82	4.96%	2,674.54	6.50%
Term Deposits	6,668.53	50.68%	14,141.80	52.72%	25,226.62	61.34%
<b>Total [A]</b>	<b>7,495.22</b>	<b>56.96%</b>	<b>15,934.25</b>	<b>59.40%</b>	<b>28,487.15</b>	<b>69.26%</b>
<b>[B] Borrowings</b>						
Reserve Bank of India	200.00	1.52%	-	0.00%	540.00	1.31%
Other banks	1,298.94	9.87%	33.78	0.13%	0.09	0.00%

Other institutions and agencies	2,214.38	16.83%	10,008.50	37.30%	11,456.06	27.85%
Tier II Capital (Non-convertible debentures)	600.00	4.56%	600.00	2.24%	600.00	1.46%
Bonds and Debentures (excluding subordinated debt)	1,350.00	10.26%	250.00	0.93%	50.00	0.12%
<b>Total [B]</b>	<b>5,663.32</b>	<b>43.04%</b>	<b>10,892.28</b>	<b>40.60%</b>	<b>12,646.15</b>	<b>30.74%</b>
<b>Total [A + B]</b>	<b>13,158.54</b>	<b>100.00%</b>	<b>26,826.53</b>	<b>100.00%</b>	<b>41,133.30</b>	<b>100.00%</b>

*[Remainder of this page intentionally left blank]*

## Asset Liability Management

The following table sets forth the maturity pattern of certain items of assets and liabilities as at the end of the relevant year / period.

		1 day to 30/31 (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
		(₹ million)								
Liabilities										
Deposits	As of December 31, 2020	1,983.18	2,309.60	1,162.21	3,754.79	8,935.09	9,869.40	5,401.93	22.20	33,438.40
	As of December 31, 2019	1,884.93	725.39	1,391.82	4,251.13	5,174.57	11,201.91	282.23	1.59	24,913.57
	As of March 31, 2020	2,400.27	1,116.69	2,533.80	4,241.60	4,997.21	12,090.19	1,106.04	1.35	28,487.15
	As of March 31, 2019	1,904.54	985.49	903.92	1,930.74	4,177.19	6,000.92	30.87	0.58	15,934.25
	As of March 31, 2018	224.96	339.69	391.49	867.08	2,309.03	3,355.90	6.80	0.27	7,495.22
Borrowings	As of December 31, 2020	2,266.69	501.70	886.20	2,099.00	1,953.80	4,536.15	1,627.25	1,000.00	14,870.79
	As of December 31, 2019	984.64	409.03	705.03	705.09	1,824.80	3,840.45	400.26	-	8,869.30
	As of March 31, 2020	1,002.50	171.93	321.93	1,384.83	2,258.87	6,156.52	1,349.57	-	12,646.15
	As of March 31, 2019	238.36	510.03	710.03	967.42	2,045.85	5,770.54	1,000.05	-	11,242.28
	As of March 31, 2018	360.78	403.36	1,044.17	1,750.86	1,514.90	1,683.86	420.39	-	7,178.32
Assets										
Advances	As of December 31, 2020	1,929.70	2,026.12	3,972.42	5,833.04	10,784.71	10,150.78	424.86	2,701.00	37,822.63
	As of December 31, 2019	2,114.31	1,986.94	2,057.32	5,828.44	8,959.96	10,082.79	878.84	1,700.43	33,609.03
	As of March 31, 2020	-	-	2,874.70	6,365.67	10,365.43	13,046.90	710.30	1,956.44	35,319.44
	As of March 31, 2019	1,301.76	1,390.63	1,440.51	4,200.93	7,798.61	9,122.31	586.98	954.11	26,795.84
	As of March 31, 2018	834.08	898.79	940.16	2,646.20	4,515.56	5,125.13	458.77	268.09	15,686.78
Investments	As of December 31, 2020	9,521.62	171.71	121.53	513.57	1,178.16	2,220.78	1,318.45	68.59	15,114.41
	As of December 31, 2019	4,603.05	125.45	948.62	408.81	467.54	2,295.61	77.52	1.67	8,928.27
	As of March 31, 2020	2,666.07	232.66	955.83	864.16	579.33	2,499.60	283.69	0.64	8,081.98
	As of March 31, 2019	3,193.99	186.46	1,135.28	289.87	475.46	1,287.41	75.20	0.26	6,643.93
	As of March 31, 2018	655.14	140.57	259.52	264.07	210.79	1,434.17	149.09	0.08	3,113.43

### Classification of Investments

	Nine Months ended December 31,	
	2019	2020
	(₹)	
Held to Maturity <sup>(1)</sup>	3,984.09	5,311.90
Available for Sale <sup>(2)</sup>	4,841.01	9,802.51
Held for Trading <sup>(3)</sup>	103.16	-
<b>Total</b>	<b>8,928.26</b>	<b>15,114.41</b>

Notes:

- (1) Investments that our Bank intends to hold till maturity are classified as "Held to Maturity".
- (2) Investments, which are not classified as "Held to Maturity" and "Held for Trading", are classified as "Available for Sale" investments.
- (3) Investments that are held with the intention to trade by taking advantage of short-term price / interest movements are classified as "Held for Trading".

	Year ended March 31,		
	2018	2019	2020
	(₹ million)		
Held to Maturity <sup>(1)</sup>	2,369.41	2,651.16	4,080.81
Available for Sale <sup>(2)</sup>	744.02	3,992.77	4,001.17
Held for Trading <sup>(3)</sup>	-	-	-
<b>Total</b>	<b>3,113.43</b>	<b>6,643.93</b>	<b>8,081.98</b>

Notes:

- (1) Investments that our Bank intends to hold till maturity are classified as "Held to Maturity".
- (2) Investments, which are not classified as "Held to Maturity" and "Held for Trading", are classified as "Available for Sale" investments.
- (3) Investments that are held with the intention to trade by taking advantage of short-term price / interest movements are classified as "Held for Trading".

### Loan Portfolio

As of December 31, 2020, our Bank's Gross Loan Portfolio was ₹ 39,082.29 million. The Bank's Gross Loan Portfolio comprises borrowers in India.

The tables below set forth our Bank's Gross Loan Portfolio by product as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020:

	As of December 31,			
	2019		2020	
	Amount	% of Total	Amount	% of Total
	(₹ million, except percentages)			
Inclusive Finance Loans	27,263.47	75.73%	27,495.76	70.35%
Commercial Vehicle Loans	3,473.79	9.65%	3,680.09	9.42%
Affordable Housing Loans	1,572.25	4.37%	2,460.30	6.30%
Micro Business Loans (T-Nagar)	374.32	1.04%	386.72	0.99%
Unsecured MSME/SME Loans	526.08	1.46%	399.46	1.02%
Secured Business Loans	1,004.41	2.79%	1,420.32	3.63%
Financial Intermediary Group Loans	885.38	2.46%	1,866.96	4.78%
Others	898.84	2.50%	1,372.68	3.51%
<b>Gross Loan Portfolio</b>	<b>35,998.54</b>	<b>100.00%</b>	<b>39,082.29</b>	<b>100.00%</b>

Notes:

- (1) Unsecured MSME/SME Loans were defocused in Fiscal 2020.
- (2) Others includes overdraft against deposits and staff loans.

	As of March 31,					
	2018		2019		2020	
	(₹ million)	% of total	(₹ million)	% of total	(₹ million)	% of total
Inclusive Finance Loans	15,441.32	89.89%	24,191.24	81.44%	28,147.75	75.85%

	As of March 31,					
	2018		2019		2020	
	(₹ million)	% of total	(₹ million)	% of total	(₹ million)	% of total
Commercial Vehicle Loans	85.48	0.50%	2,185.14	7.4%	3,705.49	9.99%
Affordable Housing Loans	219.00	1.27%	796.76	2.68%	1,811.84	4.88%
Micro Business Loans (T-Nagar)	63.23	0.37%	273.12	0.92%	428.13	1.15%
Unsecured MSME/SME Loans	826.32	4.81%	966.79	3.25%	375.05	1.01%
Secured Business Loans	351.56	2.05%	675.34	2.27%	1,062.51	2.86%
Financial Intermediary Group Loans	90.80	0.53%	484.43	1.63%	1,004.88	2.72%
Others	100.13	0.58%	131.60	0.44%	572.77	1.54%
<b>Gross Loan Portfolio</b>	<b>17,177.84</b>	<b>100.00%</b>	<b>29,704.42</b>	<b>100.00%</b>	<b>37,108.42</b>	<b>100.00%</b>

Notes:

- (1) Unsecured MSME/SME Loans were defocused in Fiscal 2020.  
(2) Others includes overdrafts, staff loans, funded interest term loans, etc.

The table below sets forth our Bank's disbursements by product as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020:

	As of December 31,			
	2019		2020	
	Amount	% of Total	Amount	% of Total
Inclusive Finance Loans	19,079.52	82.47%	8,295.83	71.53%
Commercial Vehicle Loans	1,761.72	7.62%	352.83	3.04%
Affordable Housing Loans	864.04	3.73%	700.77	6.04%
Micro Business Loans (T-Nagar)	255.99	1.11%	58.41	0.52%
Unsecured MSME/SME Loans	73.43	0.32%	-	0.00%
Secured Business Loans	446.79	1.93%	420.33	3.62%
Financial Intermediary Group Loans	652.50	2.82%	1,430.00	12.33%
Others	-	0.00%	339.20	2.92%
<b>Total Disbursements</b>	<b>23,133.99</b>	<b>100.00%</b>	<b>11,597.37</b>	<b>100.00%</b>

Notes:

- (1) Unsecured MSME/SME Loans were defocused in Fiscal 2020.  
(2) Excludes overdraft and funded interest term loans.  
(3) Disbursement of personal loans for the credit life insurance of affordable housing loans customers is included in the affordable housing loan segment.

	As of March 31,					
	2018		2019		2020	
	(₹ million)	% of total	(₹ million)	% of total	(₹ million)	% of total
Inclusive Finance Loans	15,388.47	90.05%	23,851.16	83.51%	25,606.04	82.85%
Commercial Vehicle Loans	85.48	0.50%	2,311.58	8.09%	2,259.06	7.31%
Affordable Housing Loans	223.37	1.31%	609.46	2.13%	1,146.82	3.71%
Micro Business Loans (T-Nagar)	64.89	0.38%	282.54	0.99%	378.23	1.22%
Unsecured MSME/SME Loans	896.90	5.25%	536.42	1.88%	73.43	0.24%
Secured Business Loans	336.62	1.97%	404.14	1.42%	550.75	1.78%
Financial Intermediary Group Loans	92.50	0.54%	565.00	1.98%	890.43	2.89%
Others	-	-	-	-	-	-
<b>Total Disbursements</b>	<b>17,088.23</b>	<b>100.00%</b>	<b>28,560.30</b>	<b>100.00%</b>	<b>30,904.76</b>	<b>100.00%</b>

Notes:

- (1) Excludes overdraft loans.  
(2) Unsecured MSME/SME Loans were defocused in Fiscal 2020.  
(3) Disbursement of personal loans for the credit life insurance of affordable housing loans customers is included in the affordable housing loan segment.

The table below sets forth the number of loans disbursed by our Bank by product for Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2019 and 2020:

	Nine Months ended December 31,	
	2019	2020
	(₹)	

	Nine Months ended December 31,	
	2019	2020
	(₹)	
Inclusive Finance Loans	6,44,598	2,41,462
Commercial Vehicle Loans	620	164
Affordable Housing Loans	1,621	1,400
Micro Business Loans (T-Nagar)	2,531	295
Unsecured MSME/SME Loans	34	-
Secured Business Loans	151	224
Financial Intermediary Group Loans	7	11
Others	-	29,795
<b>Total</b>	<b>6,49,562</b>	<b>2,73,351</b>

Notes:

- (1) Excludes overdraft loans.
- (2) Unsecured MSME/SME Loans were defocused in Fiscal 2020
- (3) Count of personal loans for the credit life insurance of affordable housing loans customers is included in the affordable housing loan segment.

	Year Ended March 31,		
	2018	2019	2020
Inclusive Finance Loans	546,984	855,022	843,307
Commercial Vehicle Loans	8	831	806
Affordable Housing Loans	244	837	2,228
Micro Business Loans (T-Nagar)	605	2,925	3,662
Unsecured MSME/SME Loans	4,847	605	34
Secured Business Loans	668	121	223
Financial Intermediary Group Loans	4	11	11
Others	-	-	-
<b>Total</b>	<b>553,360</b>	<b>860,352</b>	<b>850,271</b>

Notes:

- (1) Excludes overdraft loans.
- (2) Unsecured MSME/SME Loans were defocused in Fiscal 2020
- (3) Count of personal loans for the credit life insurance of affordable housing loans customers is included in the affordable housing loan segment.

The table below sets forth our Bank's average ticket size of loans disbursed by product as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020:

	As of December 31,	
	2019	2020
	(₹)	
Inclusive Finance Loans	29,599.09	34,356.68
Commercial Vehicle Loans	28,41,483.90	21,51,411.23
Affordable Housing Loans	8,75,425.43	7,74,326.42
Micro Business Loans (T-Nagar)	1,01,142.90	1,98,033.90
Unsecured MSME/SME Loans	21,59,558.82	-
Secured Business Loans	29,58,887.00	18,76,454.50
Financial Intermediary Group Loans	9,32,14,285.71	13,00,00,000.00
Others	-	11,384.34

Notes:

- (1) Excludes overdraft loans
- (2) Unsecured MSME/SME Loans were defocused in Fiscal 2020.
- (3) Count of personal loans for the credit life insurance is excluded from the affordable housing loan segment for calculating the average ticket size.

	As of March 31,		
	2018	2019	2020
	(₹)		
Inclusive Finance Loans	28,133.32	27,895.38	30,363.84
Commercial Vehicle Loans	10,685,250.00	2,781,683.71	2,802,801.77
Affordable Housing Loans	915,455.95	955,260.67	832,235.87

	As of March 31,		
	2018	2019	2020
	(₹)		
Micro Business Loans (T-Nagar)	107,256.20	96,594.87	103,283.83
Unsecured MSME/SME Loans	185,041.38	886,637.61	2,159,558.82
Secured Business Loans	503,922.63	3,340,049.43	2,469,709.62
Financial Intermediary Group Loans	23,125,000.00	51,363,636.36	8,0948,000.00
Others	-	-	-

Notes:

- (1) Excludes overdraft loans
- (2) Unsecured MSME/SME Loans were defocused in Fiscal 2020.
- (3) Count of personal loans for the credit life insurance is excluded from the affordable housing loan segment for calculating the average ticket size.

The table below sets forth the average tenor of our Bank's disbursements by product as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020:

	As of December 31,	
	2019	2020
	(No. of Months)	
Inclusive Finance Loans	21.62	20.86
Commercial Vehicle Loans	46.74	39.57
Affordable Housing Loans	197.85	198.26
Micro Business Loans (T-Nagar)	23.14	24.51
Unsecured MSME/SME Loans	25.64	-
Secured Business Loans	115.44	119.47
Financial Intermediary Group Loans	31.43	31.00
Others	-	47.93

Notes:

- (1) Excludes overdraft loans
- (2) Unsecured MSME/SME Loans were defocused in Fiscal 2020.
- (3) Count of personal loans for the credit life insurance is excluded from the affordable housing loan segment for calculating the average ticket size.

	As of March 31,		
	2018	2019	2020
	(No. of Months)		
Inclusive Finance Loans	21.14	21.26	21.74
Commercial Vehicle Loans	51.75	50.49	47.58
Affordable Housing Loans	206.52	215.71	198.38
Micro Business Loans (T-Nagar)	23.17	22.79	23.15
Unsecured MSME/SME Loans	28.45	31.60	25.64
Secured Business Loans	69.75	118.91	115.46
Financial Intermediary Group Loans	25.50	26.82	27.91
Others	-	-	-

Notes:

- (1) Excludes overdraft loans
- (2) Unsecured MSME/SME Loans were defocused in Fiscal 2020.
- (3) Affordable housing loans excludes personal loans for credit life insurance.

The table below sets forth the yields on our Bank's Gross Loan Portfolio by product as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020:

	As of December 31,	
	2019	2020
Inclusive Finance Loans	23.35%* [17.51%]	22.28%* [16.71%]
Commercial Vehicle Loans	10.54%* [7.91%]	10.88%* [8.16%]
Affordable Housing Loans	11.64%* [8.73%]	11.87%* [8.90%]
Micro Business Loans (T-Nagar)	23.65%* [17.74%]	23.01%* [17.26%]

	As of December 31,	
	2019	2020
Unsecured MSME/SME Loans	16.07%* [12.05%]	14.60%* [10.95%]
Secured Business Loans	15.03%* [11.27%]	14.02%* [10.52%]
Financial Intermediary Group Loans	12.08%* [9.06%]	11.48%* [8.61%]
Others	12.00%* [9.00%]	11.42%* [8.57%]

Notes:

\*Annualized. Figures in square brackets represent unannualized figures

(1) Others includes overdraft against deposits and staff loans.

(2) Unsecured MSME/SME Loans were defocused in Fiscal 2020.

	As of March 31,		
	2018	2019	2020
Inclusive Finance Loans	21.39%	22.79%	23.37%
Commercial Vehicle Loans	-	10.30%	10.46%
Affordable Housing Loans	12.50%	12.12%	11.69%
Micro Business Loans (T-Nagar)	23.04%	23.75%	23.57%
Unsecured MSME/SME Loans	25.60%	20.32%	15.98%
Secured Business Loans	25.60%	16.79%	14.82%
Financial Intermediary Group Loans	10.94%	13.30%	12.46%
Others	2.00%	7.02%	8.79%

Notes:

(1) Others includes overdraft against deposits and staff loans.

(2) Unsecured MSME/SME Loans were defocused in Fiscal 2020.

### Interest Rate Sensitivity Analysis

The following tables set forth the interest rate sensitivity analysis of our Bank's assets and liabilities for our Bank's operations as of the dated indicated:

As of December 31, 2020

	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-Sensitive	Total
	(₹ million)					
Assets						
Cash and Balances with RBI	-	-	-	-	889.02	889.02
Balances with other banks	-	-	2.00	2.50	258.07	262.57
Advances	8,675.71	16,256.49	10,265.15	2,625.28	-	37,822.63
Investments	10.02	-	7,909.92	7,186.92	7.55	15,114.41
Fixed Assets	-	-	-	-	433.58	433.58
Rev Repos	7,180.00	-	-	-	-	7,180.00
Other Assets	-	-	-	-	1,801.88	1,801.88
Forex Swaps	-	-	-	-	-	-
Total Assets	15,865.73	16,256.49	18,177.07	9,814.70	3,390.10	63,504.09
Off-balance Sheet Items	-	-	-	-	-	-
Total Rate Sensitive Assets/ Assets	15,865.73	16,256.49	18,177.07	9,814.70	3,390.10	63,504.09
Liabilities						
Capital and Reserve	-	-	-	-	11,909.62	11,909.62
Deposits	5,524.60	12,689.88	15,201.70	22.22	-	33,438.40
Borrowings	2,409.80	3,052.80	6,163.40	1,000.00	-	12,626.00
Other Liabilities	-	-	-	-	3,285.28	3,285.28
Repos	2,244.79	-	-	-	-	2,244.79
Forex Swaps	-	-	-	-	-	-
Total Liabilities	10,179.19	15,742.68	21,365.10	1,022.22	15,194.90	63,504.09
Off-balance Sheet Items	-	-	-	-	-	-
Total Rate Sensitive Liabilities /	10,179.19	15,742.68	21,365.10	1,022.22	15,194.90	63,504.09



	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-Sensitive	Total
	(₹ million)					
<b>Liabilities</b>						

As of March 31, 2020

	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Non-Sensitive	Total
	(₹ million)					
<b>Assets</b>						
Cash and Balances with RBI	-	-	-	-	63.52	63.52
Balances with other banks	1,326.00	-	2.00	2.50	691.96	2,022.46
Advances	2,874.70	16,731.10	13,798.68	1,914.96	-	35,319.44
Investments	939.44	855.65	2,439.62	3,744.17	103.10	8,081.98
Fixed Assets	-	-	-	-	387.30	387.30
Rev Repos	6,290.00	-	-	-	-	6,290.00
Other Assets	-	-	-	-	1,480.52	1,480.52
Forex Swaps	-	-	-	-	-	-
<b>Total Assets</b>	<b>11,430.14</b>	<b>17,586.75</b>	<b>16,240.30</b>	<b>5,661.63</b>	<b>2,726.40</b>	<b>53,645.22</b>
Off-balance Sheet Items						-
<b>Total Rate Sensitive Assets/ Assets</b>	<b>11,430.14</b>	<b>17,586.75</b>	<b>16,240.30</b>	<b>5,661.63</b>	<b>2,726.40</b>	<b>53,645.22</b>
<b>Liabilities</b>						
Capital and Reserve	-	-	-	-	10,662.31	10,662.31
Deposits	6,112.81	9,238.81	13,134.13	1.40	-	28,487.15
Borrowings	1,230.77	3,643.70	6,966.10	-	-	11,840.57
Other Liabilities	-	-	-	-	1,849.61	1,849.61
Repos	265.58	540.00	-	-	-	805.58
Forex Swaps	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>7,609.16</b>	<b>13,422.51</b>	<b>20,100.23</b>	<b>1.40</b>	<b>12,511.92</b>	<b>53,645.22</b>
Off-balance Sheet Items						-
<b>Total Rate Sensitive Liabilities / Liabilities</b>	<b>7,609.16</b>	<b>13,422.51</b>	<b>20,100.23</b>	<b>1.40</b>	<b>12,511.92</b>	<b>53,645.22</b>

### Priority Sector Lending

Commercial banks in India are required to lend, through advances or investment, 40% of their adjusted net bank credit (“ANBC”) or credit equivalent amount of off-balance sheet exposures, whichever is higher, to specified sectors known as “priority sectors”, subject to certain exemptions permitted by RBI from time to time. Priority sector advances include advances to agriculture sector, micro and small enterprises, weaker sections, housing finance up to certain ceilings etc. SFBs are required to maintain 75% of their ANBC under priority sector advances.

We are required to comply with the priority sector lending requirements on a quarterly basis. Any shortfall in the amount required to be lent to the priority sectors is required to be deposited with the Rural Infrastructure Development Fund established by NABARD or funds with other financial institutions as specified by the RBI, which generally provide for lower than market interest rate. Therefore, if we are unable to meet the priority sector conditions requirements, it could have an adverse effect on our results of operations.

Our average “priority sector” loans as a percentage of average ANBC for Fiscal 2018, 2019, 2020 and as of December 31, 2019 and 2020 stood at 99.08%, 112.10% and 103.67% and 102.41%, 114.09% respectively.

### Capital Adequacy

Our Bank is subject to the CRAR requirements prescribed by the RBI. As of December 31, 2020, we were required to maintain a minimum CRAR of 15.00%, based on the total capital to risk-weighted assets.

The following tables set forth certain information relating to the CRAR of our Bank as of the periods indicated:

	As of and for the Nine Months ended December 31,	
	2019	2020
	₹ million, except percentages	
Common Equity Tier I Capital	10,442.62	11,176.55
Tier I Capital	10,442.62	11,176.55
Tier II Capital	268.44	1,280.96
<b>Total Capital</b>	<b>10,711.06</b>	<b>12,457.51</b>
<b>Total Risk Weighted Assets</b>	<b>26,363.53</b>	<b>30,256.56</b>
<b>Capital Adequacy Ratio</b>		
Common Equity Tier I Capital Ratio (as a percentage of Risk Weighted Assets)	39.61%	36.94%
Tier I Capital Ratio (as a percentage of Risk Weighted Assets)	39.61%	36.94%
Tier II Capital Ratio (as a percentage of Risk Weighted Assets)	1.02%	4.23%
<b>Total Capital to Risk Weighted Asset Ratio (CRAR) (as a percentage of Risk Weighted Assets)</b>	<b>40.63%</b>	<b>41.17%</b>

	As of and for the year ended March 31,		
	2018	2019	2020
	₹ million, except percentages		
Common Equity Tier I Capital	5,236.59	8,519.38	10,104.45
Tier I Capital	5,236.59	8,519.38	10,104.45
Tier II Capital	410.25	343.71	336.86
<b>Total Capital</b>	<b>5,646.83</b>	<b>8,863.09</b>	<b>10,441.31</b>
<b>Total Risk Weighted Assets</b>	<b>13,012.21</b>	<b>22,035.82</b>	<b>29,461.55</b>
<b>Capital Adequacy Ratio</b>			
Common Equity Tier I Capital Ratio (as a percentage of Risk Weighted Assets)	40.25%	38.66%	34.30%
Tier I Capital Ratio (as a percentage of Risk Weighted Assets)	40.25%	38.66%	34.30%
Tier II Capital Ratio (as a percentage of Risk Weighted Assets)	3.15%	1.56%	1.14%
<b>Total Capital to Risk Weighted Asset Ratio (CRAR) (as a percentage of Risk Weighted Assets)</b>	<b>43.40%</b>	<b>40.22%</b>	<b>35.44%</b>

### Regional Concentration

Our Bank's widespread branch network enables our Bank to diversify its lending risks geographically. The following tables present an analysis of our Bank's advances and deposits by region as of the dates indicated.

The following tables set forth our Bank's Gross Advances by geographical split as of the dates indicated:

	As of December 31,			
	2019		2020	
	₹ million	% of total	₹ million	% of total
Metropolitan	11,352.82	32.99%	14,308.49	37.13%
Urban	10,415.75	30.27%	10,704.51	27.78%
Semi-Urban	10,512.24	30.54%	11,104.12	28.83%
Rural	2,133.65	6.20%	2,413.92	6.26%
<b>Gross Advances</b>	<b>34,414.46</b>	<b>100.00%</b>	<b>38,531.04</b>	<b>100.00%</b>

	As of March 31,					
	2018		2019		2020	
	₹ million	% of total	₹ million	% of total	₹ million	% of total
Metropolitan	4,050.01	25.38%	8,507.39	31.04%	11,865.75	32.72%
Urban	5,995.01	37.56%	9,234.97	33.70%	10,777.65	29.72%
Semi-Urban	5,344.71	33.49%	8,417.29	30.71%	11,170.05	30.80%
Rural	570.46	3.57%	1,246.64	4.55%	2,450.47	6.76%
<b>Gross Advances</b>	<b>15,960.19</b>	<b>100%</b>	<b>27,406.29</b>	<b>100.00%</b>	<b>36,263.92</b>	<b>100.00%</b>

The following tables set forth our Bank's Gross Advances by states in India as of the dates indicated:

States	As of December 31,	
	2019	2020
	(₹ million)	
Maharashtra	10,970.19	13,393.31
Tamil Nadu	10,758.80	10,568.46
Odisha	5,477.74	5,820.18
Gujarat	2,440.01	2,993.37
Karnataka	2,079.49	2,526.62
Madhya Pradesh	1,754.16	2,296.90
Uttar Pradesh	312.32	458.34
Chhattisgarh	126.96	203.86
Puducherry	182.86	125.27
Delhi	100.72	137.59
Telangana	211.21	7.13
Chandigarh	-	0.01
<b>Total</b>	<b>34,414.46</b>	<b>38,531.04</b>

States	As of March 31,		
	2018	2019	2020
	(₹ million)		
Maharashtra	4,978.56	8,894.77	12,117.72
Tamil Nadu	5,163.68	9,092.60	10,040.31
Odisha	2,784.12	4,223.72	5,789.18
Gujarat	1,360.65	2,335.95	2,814.06
Karnataka	656.17	1,180.24	2,504.37
Madhya Pradesh	828.09	1,239.42	1,957.41
Uttar Pradesh	-	122.17	356.28
Chhattisgarh	67.24	115.03	165.00
Puducherry	121.68	202.39	158.05
Delhi	-	-	139.58
Telangana	-	-	221.96
<b>Total</b>	<b>15,960.19</b>	<b>27,406.29</b>	<b>36,263.92</b>

The following tables set forth our Bank's Banking Outlets by region as of the dates indicated:

States	As of December 31,	
	2019	2020
	(No. of Banking Outlets)	
Maharashtra	133	156
Tamil Nadu	89	91
Odisha	78	91
Gujarat	35	38
Karnataka	55	73
Madhya Pradesh	28	36
Uttar Pradesh	13	29
Chhattisgarh	1	17
Puducherry	2	2
Delhi	3	3
Telangana	2	2
Chandigarh	-	1
Rajasthan	-	15
<b>Total</b>	<b>439</b>	<b>554</b>

States	As of March 31,		
	2018	2019	2020
	(No. of Banking Outlets)		
Maharashtra	84	115	152
Tamil Nadu	49	74	91
Odisha	38	64	79
Gujarat	30	35	38
Karnataka	15	47	55
Madhya Pradesh	21	28	33

States	As of March 31,		
	2018	2019	2020
	(No. of Banking Outlets)		
Chhattisgarh	1	1	7
Uttar Pradesh	-	13	14
Delhi	-	2	3
Telangana	-	1	2
Puducherry	2	2	2
Chandigarh	-	-	1
<b>Total</b>	<b>240</b>	<b>382</b>	<b>477</b>

The following tables set forth our Bank's Banking Outlets by geographical regions as of the dates indicated:

	As of December 31,	
	2019	2020
Metropolitan	86	95
Urban	102	149
Semi-Urban	126	153
Rural	125	157
<b>Total Banking Outlets</b>	<b>439</b>	<b>554</b>

	As of March 31,		
	2018	2019	2020
Metropolitan	50	76	94
Urban	91	103	121
Semi-Urban	83	127	128
Rural	16	76	134
<b>Total Banking Outlets</b>	<b>240</b>	<b>382</b>	<b>477</b>

## Recognition of NPAs and Provisioning

### *RBI Classification and Provisioning Requirements*

Our Bank classifies its assets in accordance with the RBI guidelines. Under these guidelines, an asset is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days in respect of term loans. In respect of overdraft and cash credit, an asset is classified as non-performing if the account remains out of order for a continuous period of 90 days, and in respect of bills purchased and discounted, if the account remains overdue for more than 90 days.

Assets are classified as described below:

Standard asset	Performing assets are Standard Assets which do not disclose any problem and which do not carry more than the normal risk attached to the business. The performing asset is one which generates income for the bank.
Sub-standard asset	Sub-standard Asset would be one which has remained a NPA for a period less than or equal to 12 months.
Doubtful asset	An account would be classified as doubtful if it had continuously remained in the sub-standard category for 12 months. Doubtful assets will further be sub-classified into following three categories.
- Doubtful – I	All NPAs after completion of 12 months from date of categorization as an NPA will slip to Doubtful –I category.
- Doubtful – II	All NPAs after completion of 24 months from date of categorization as an NPA will slip to Doubtful-II category.
- Doubtful – III	All NPAs after completion of 48 months from date of categorization as an NPA will slip to Doubtful-III category.
Loss asset	A loss asset is one where the loss has been identified by the bank, internal auditor, external auditors or the RBI inspectors, but the amount has not been written off wholly. In other words, such an asset is considered uncollectible with little salvage or recovery value.
Accounts where there is	In respect of accounts where there are potential threats for recovery on account

erosion in the value of securities/frauds committed by the borrowers	<p>of erosion in the value of security or non-availability of security and existence of other factors such as frauds committed by borrowers it will not be prudent that such accounts should go through various stages of asset classification. In cases of such serious credit impairment, the asset should be straightaway classified as doubtful or loss asset as appropriate:</p> <p>1. Erosion in the value of security can be reckoned as significant when the realizable value of the security is less than 50 per cent of the value assessed by the bank or accepted by RBI at the time of last inspection, as the case may be. Such NPAs may be straightaway classified under doubtful category.</p> <p>2. If the realizable value of the security, as assessed by the bank/ approved valuers/ RBI is less than 10 per cent of the outstanding in the borrowal accounts, the existence of security should be ignored and the asset should be straightaway classified as loss asset.</p>
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The following tables provide a summary of our Bank's gross loan assets as of the periods indicated, in accordance with RBI classifications.

Asset Category	As of December 31,	
	2019	2020
	(₹ million)	
Standard assets	33,458.89	38,231.91
Sub-standard assets	852.17	82.95
Doubtful assets	103.40	213.91
Loss assets	-	2.27
<b>Total</b>	<b>34,414.46</b>	<b>38,531.04</b>

Asset Category	As of March 31,		
	2018	2019	2020
	(₹ million)		
Standard assets	15,394.50	26,910.08	35,251.42
Sub-standard assets	509.90	323.02	923.14
Doubtful assets	55.79	173.19	87.10
Loss assets	-	-	2.26
<b>Total</b>	<b>15,960.19</b>	<b>27,406.29</b>	<b>36,263.92</b>

The following tables set forth our Bank's provisions for credit losses including possible credit losses at the dates indicated:

Asset Category	As of December 31,	
	2019	2020
	(₹ million, except percentages)	
i. Total of Provision for NPA and Floating provision	805.44	708.41
ii. Gross Advances	34,414.46	38,531.04
iii. Gross NPA	955.57	299.13
iv. Provision held as percentage of Gross Advances [i/ii]	2.34%	1.84%
v. Provision coverage ratio (including technical write-offs and floating provisions to an extent utilized) <sup>(1)</sup>	84.22%	89.58%

(1) Provision held as a percentage of Gross Advances.

(2) Our Bank has a provision of ₹ 1,407.10 million as on December 31, 2020 on account of COVID-19 and has not been considered in table above.

Asset Category	As of March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
i. Total of Provision for NPA and Floating provision	273.41	610.44	944.48
ii. Gross Advances	15,960.19	27,406.29	36,263.92
iii. Gross NPA	565.69	496.21	1,012.50
iv. Provision held as percentage of Gross Advances [i/ii]	1.71%	2.23%	2.60%
v. Provision coverage ratio (including technical write-offs and floating provisions to an extent utilized) <sup>(1)</sup>	48.33%	75.80%	84.71%

Notes:

(1) Provision held as a percentage of Gross Advances.

- (2) Our Bank has made a provision of ₹ 659.91 million for the year ended March 31, 2020 on account of COVID-19 and has not been considered in table above.

## Non-Performing Assets

Our Bank has suffered losses in the past through impairment of loans as delinquent borrowers were impacted by various factors including recessionary conditions in the domestic economy, currency demonetization measures in 2016, COVID-19, regulatory measures, increased competition and volatility in industrial growth that led to cash flow issues for micro banking customers, adversely impacted earning capacity for MSMEs and CV customers. Our Bank has adopted several measures to refine its credit selection processes and appraisal capabilities.

Once loan accounts are identified as non-performing, interest and other fees charged in the account, if uncollected, are reversed. In compliance with regulations governing the presentation of financial information by banks, we report non-performing assets net of cumulative provision. In accordance with the RBI guidelines, interest income from advances for NPAs is recognized upon realization, rather than on an accrual basis as with all other loans. Any recoveries in the non-performing advances account will be first appropriated to principal outstanding then interest outstanding and to fees/charges outstanding if any, except in those cases where bank has a specific agreement with a borrower with regards to appropriation of recoveries.

Our Bank's percentage of Gross NPAs to Total Advances decreased from 3.54% as of March 31, 2018 to 1.81% as of March 31, 2019 and subsequently increased to 2.79% as of March 31, 2020 and was 2.34% and 1.84% as of December 31, 2019 and 2020, respectively. Our Bank's net NPA to net advances decreased from 1.86% as of March 31, 2018 to 0.44% as of March 31, 2019 and subsequently increased to 0.57% as of March 31, 2020 and was 2.78% and 0.78% as of December 31, 2019 and 2020, respectively.

See "Risk Factors — Risks Relating to our Bank's Business — If we are not able to control the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions, results of operations and cash flows."

The following tables set forth, for the periods indicated, information about our Bank's NPA portfolio.

	As of December 31,	
	2019	2020
	(₹ million, except percentages)	
<b>Non-Performing Assets</b>		
(i) Gross NPAs as at the year end	955.57	299.13
(ii) Closing balance of provision for NPAs	429.38	170.68
(iii) Closing balance of floating provisions	376.05	537.73
(iv) Net NPAs	176.18	128.14
(vi) Advances	33,609.03	37,822.63
(vii) Gross Advances	34,414.46	38,531.04
(viii) Gross NPAs/ Gross Advances (%) (i/vii)	2.78%	0.78%
(x) Net NPAs/ Advances (%) (iv/vi)	0.52%	0.33%
(xi) Provision for NPAs as a percentage of Gross NPAs (ii/i)*	44.93%	57.06%
(xii) Provision coverage ratio ((including technical write-offs and floating provisions to an extent utilized))	84.22%	89.58%

	As of March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
<b>Non-Performing Assets</b>			
(i) Gross NPAs as at the year end	565.69	496.21	1,012.50
(ii) Closing balance of provision for NPAs	210.83	287.29	412.30
(iii) Closing balance of floating provisions	62.58	323.15	532.18
(iv) Net NPAs	292.27	120.06	203.74
(vi) Advances	15,686.78	26,795.84	35,319.44
(vii) Gross Advances	15,960.19	27,406.29	36,263.92
(viii) Gross NPAs/ Gross Advances (%) (i/vii)	3.54%	1.81%	2.79%
(x) Net NPAs/ Advances (%) (iv/vi)	1.86%	0.44%	0.57%
(xi) Provision for NPAs as a percentage of Gross NPAs (ii/i)*	37.27%	57.90%	40.72%
(xii) Provision coverage ratio ((including technical write-offs and	48.33%	75.80%	84.71%

	As of March 31,		
	2018	2019	2020
	(₹ million, except percentages)		
floating provisions to an extent utilized))			

\* Provisions are excluding floating provision

The table below sets forth our Bank's Gross NPAs by product segment as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020:

	As of December 31,			
	2019		2020	
	(₹ million)	Gross NPA as a Percentage of Gross Advances	(₹ million)	Gross NPA as a Percentage of Gross Advances
Inclusive Finance Loans	584.59	1.70%	8.90	0.02%
Commercial Vehicle Loans	170.35	0.49%	155.29	0.40%
Affordable Housing Loans	19.43	0.06%	15.21	0.04%
Micro Business Loans (T-Nagar)	16.40	0.05%	18.32	0.05%
Unsecured MSME/SME Loans	82.90	0.24%	37.55	0.10%
Secured Business Loans	78.21	0.23%	61.43	0.16%
Financial Intermediary Group Loans	-	0.00%	-	0.00%
Others*	3.69	0.01%	2.43	0.01%
<b>Gross NPA</b>	<b>955.57</b>	<b>2.78%</b>	<b>299.13</b>	<b>0.78%</b>

	As of March 31,					
	2018		2019		2020	
	(₹ million)	Gross NPA as a Percentage of Gross Advances	(₹ million)	Gross NPA as a Percentage of Gross Advances	(₹ million)	Gross NPA as a Percentage of Gross Advances
Inclusive Finance Loans	543.78	3.82%	270.80	1.24%	675.96	2.48%
Commercial Vehicle Loans	-	-	20.76	0.95%	174.38	4.71%
Affordable Housing Loans	-	-	6.52	0.82%	19.97	1.10%
Micro Business Loans (T-Nagar)	-	-	2.02	0.74%	19.08	4.46%
Unsecured MSME/SME Loans	20.19	2.44%	134.33	13.92%	40.71	10.88%
Secured Business Loans	0.71	0.20%	60.25	8.91%	79.36	7.47%
Financial Intermediary Group Loans	-	-	-	-	-	0.00%
Others*	1.01	1.01%	1.53	1.12%	3.04	0.53%
<b>Gross NPA</b>	<b>565.69</b>	<b>3.54%</b>	<b>496.21</b>	<b>1.81%</b>	<b>1,012.50</b>	<b>2.79%</b>

\* Others includes overdrafts and staff loans.

Our Bank's provision coverage ratio (including technical write-offs and floating provisions to an extent utilized) ) as of March 31, 2018, 2019 and 2020 and as of December 31, 2019 and 2020, computed as per RBI guidelines, was 48.33%, 75.80%, 84.71%, 84.22% and 89.58%, respectively.

### Provisioning and Write-Offs

RBI guidelines on provisioning and write-offs are as follows:

Standard asset	A general provision on Standard Assets with a minimum of 0.40% is to be made with the exception of Farm credit to agriculture activities, SME sectors and Individual Housing Loans sanctioned on or after June 7, 2017 for which a provision of 0.25% will be made, and for residential housing loans under "teaser" loan category, a provision of 2.00% will be made. For commercial real estate loans and commercial real estate loans for residential housing sector, provision will be made at 1.00% and 0.75% respectively. For restructured standard assets and DCCO extension beyond stipulated maximum for infrastructure and non-infrastructure projects, provision is held at 5%. A Restructured NPA account upgraded to standard category attracts a provision of 5% in the first year
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	from the date of upgrade.								
Sub-standard asset	<p>A general provision of 15.00% on total outstanding loans should be made without making any allowance for Export Credit Guarantee Corporation of India (ECGC) guarantee cover and securities available. The unsecured outstanding which are identified as sub-standard would attract an additional provision of 10.00% (i.e. a total of 25.00% on the outstanding balance). However, in case escrow accounts available in respect of infrastructure lending, infrastructure loan accounts which are classified as sub-standard will attract a provisioning of 20% instead of the aforesaid prescription of 25%.</p> <p>Unsecured outstanding is defined as an outstanding where the realizable value of security, as assessed by the bank, the approved values and the RBI's inspecting officers, is not more than 10.00%, ab-initio, of the outstanding. Security will mean tangible security properly discharged to the bank and will not include intangible securities such as guarantees and comfort letters.</p>								
Doubtful asset	<p>Provisioning at 100.00% is to be made for the deficit portion i.e. to the extent to which advances are not covered by the realizable value of the security to which our Bank has a valid recourse and the realizable value is estimated on a realistic basis. With regard to the secured portion, as per the guidelines of the RBI, provision is to be made at rates ranging from 25.00% to 100.00% of the secured portion depending upon the period for which the advance has remained in the doubtful category. In regard to the secured portion, provision is to be made in accordance with the table below:</p> <table> <tr> <th>Period for which advance remained in "Doubtful" category</th><th>Provision requirement (%)</th></tr> <tr> <td>Up to one year</td><td>25.00%</td></tr> <tr> <td>One to three years</td><td>40.00%</td></tr> <tr> <td>More than three years</td><td>100.00%</td></tr> </table>	Period for which advance remained in "Doubtful" category	Provision requirement (%)	Up to one year	25.00%	One to three years	40.00%	More than three years	100.00%
Period for which advance remained in "Doubtful" category	Provision requirement (%)								
Up to one year	25.00%								
One to three years	40.00%								
More than three years	100.00%								
Loss asset	The entire asset is written off or 100.0% provision is made on outstanding amount.								

See "Key Regulations and Policies" beginning on page 163 of the Draft Red Herring Prospectus.

The following tables set forth the details of the movement in NPAs for the periods indicated:

Gross NPA Movement	As of December 31,	
	2019	2020
	(₹ million)	
Opening GNPA	496.21	1,012.50
Add: Additions during the year	823.44	0.50
Sub Total – (A)	1,319.65	1,013.00
Less:	-	-
i. Upgradations	21.89	56.00
ii. Recoveries (excluding recoveries made from upgraded accounts)	22.42	31.47
iii. Technical or Prudential write-offs	160.82	626.38
iv. Write-offs other than those under (iii) above	158.95	0.02
Sub Total –(B)	364.08	713.87
<b>Closing GNPA Balance</b>	<b>955.57</b>	<b>299.13</b>

Gross NPA Movement	As of March 31,		
	2018	2019	2020
	(₹ million)		



Gross NPA Movement	As of March 31,		
	2018	2019	2020
	(₹ million)		
Opening GNPA	512.50	565.69	496.21
Add: Additions during the year	517.95	330.81	1,042.95
Sub Total – (A)	1,030.45	896.50	1,539.16
Less:			
v. Upgradations	0.75	1.25	6.07
vi. Recoveries (excluding recoveries made from upgraded accounts)	36.08	63.42	41.73
vii. Technical or Prudential write-offs	-	-	319.93
viii. Write-offs other than those under (iii) above	427.93	335.62	158.93
Sub Total –(B)	464.76	400.29	526.66
<b>Closing GNPA Balance</b>	<b>565.69</b>	<b>496.21</b>	<b>1,012.50</b>

The following tables set forth the details of the movement in provisions for the periods indicated:

Provision Movement	As of December 31,	
	2019	2020
	(₹ million)	
Opening Balance	376.15	808.76
Add: Provisions created during the year	739.44	13.29
Sub Total – (A)	1,115.59	822.05
Less:	-	-
i. Write-offs/ Write back of excess provisions	336.20	651.06
Sub Total –(B)	336.20	651.06
<b>Closing Balance</b>	<b>779.39</b>	<b>170.99</b>

Provision Movement	As of March 31,		
	2018	2019	2020
	(₹ million)		
Opening Balance	201.09	273.42	376.15
Add: Provisions created during the year	193.72	250.62	702.36
Sub Total – (A)	394.81	524.04	1,078.51
Less:			
ii. Write-offs/ Write back of excess provisions	121.39	147.89	269.75
Sub Total –(B)	121.39	147.89	269.75
<b>Closing Balance</b>	<b>273.42</b>	<b>376.15</b>	<b>808.76</b>

### Upgradations of loan accounts classified as NPA

If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account will no longer be treated as non-performing and be classified as 'standard' accounts.

### Restructuring of Advances

All loans of our Bank, where the repayment terms of existing advances have been revised in order to extend the repayment period and/ or decrease the instalment amount and/ or reduction in interest rate as per the borrower's request shall be marked as rescheduled loans.

We consider a restructured account, if any, as one where we, for economic or legal reasons relating to the borrower's financial difficulty, grant to the borrower concessions that we would not otherwise consider. Restructuring would normally involve modification of terms of the advance/ securities, which would generally include, among others, alteration of repayment period/ repayable amount/ the amount of instalments/ rate of interest (due to reasons other than competitive reasons). However, extension in repayment tenure of a floating rate loan on reset of interest rate, so as to keep the equated monthly instalment (EMI) unchanged, provided it is applied to a class of accounts uniformly, will not render the account to be classified as 'restructured account'. In other words, extension or deferment of EMIs to individual borrowers as against to an entire class, would render the accounts to be classified as 'restructured accounts' except as permitted by the RBI.

Restructured accounts are classified as such by us only upon approval and implementation of the restructuring

package. Necessary provision for diminution in the fair value of the asset is made. Restructuring of an account, if any, is done at a borrower level. Non-performing advances are written-off in accordance with our policies. Recoveries from bad debts written-off are recognised in the Profit and Loss Account and included under 'Other Income'. This will result in immediate down-gradation of the loan, i.e., a standard loan will become sub-standard and attract provisions as per the asset classification and subsequent provisioning norms. The NPAs, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per extant asset classification norms with reference to the pre-restructuring repayment schedule. If such account classified as NPA performs regularly, it will be upgraded after satisfactory performance during the specified period.

The erosion in the fair value of the advance is computed as the difference between the fair value of the loan before and after restructuring. Fair value of the loan before restructuring is computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at the existing interest rate as on the date of restructuring. Fair value of the loan after restructuring is computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal, discounted at the existing interest rate on the date of restructuring.

Additional finance approved under the resolution plan is treated as 'Standard Asset' during the specified period, provided that the account performs satisfactorily during the specified period. If the restructured asset fails to perform satisfactorily during the specified period or does not qualify for upgradation at the end of the specified period, the additional finance shall be placed in the same asset classification category as the restructured debt. 'Specified Period' refers to the period from the date of implementation of resolution plan up to the date by which at least 20% of the outstanding principal debt as per the resolution plan and interest capitalisation sanctioned as part of the restructuring, if any, is repaid. Provided that, the specified period cannot end before one year from the commencement of the first payment of interest or principal (whichever is later) on the credit facility with longest period of moratorium under the terms of the resolution plan.

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India and has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organisation. Numerous governments and companies, including our Bank, introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a 21-day lockdown which was further extended till May 31, 2020 to contain the spread of the virus. The lock down continued in affected regions during the year as determined by central government or the respective State governments. Internationally, countries are still fighting battle against the virus and putting strict restrictions on movement of people, specially those coming in from various virus hotspots. The extent to which the COVID-19 pandemic will impact our Bank's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by our Bank.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, our Bank has granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification remained stand still during the moratorium period (i.e., the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the income recognition, asset classification and provisioning norms). We have made a provision of ₹ 108.69 million being 10% of overdue standard accounts as on February 29, 2020 following RBI guidelines relating to COVID-19 regulatory package issued on April 17, 2020 and clarification provided by RBI to Indian Bank's Association dated May 6, 2020.

RBI in its Statement on Developmental and Regulatory Policies dated May 22, 2020, permitted lending institutions to extend the moratorium on term loan instalments for another three months, i.e., from June 1, 2020 to August 31, 2020. As the moratorium/deferment is being provided specifically to enable borrowers to tide over COVID-19 disruptions, the same is not treated as changes in terms and conditions of loan agreements due to financial difficulty of the borrowers and, consequently, does not result in asset classification downgrade. The Bank continued to provide moratorium to eligible borrowers for the instalments due between June 1, 2020 to August 31, 2020 following the RBI notification dated May 22, 2020.

Further, considering the stress due to COVID-19 pandemic, RBI in its circular No RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21dt 6th Aug, 2020 had given guidelines on “Resolution Framework for COVID-19-related Stress” to enable lenders such as banks /FIs to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions amidst economic fallout due to COVID-19. Bank has put in place a Board approved policy for the same ensuring that only the borrowers having COVID-19 related stress are covered under this framework.

Summary of cases restructured as per the above guidelines as of December 31, 2020 are given below:

<b>No. of Accounts Restructured</b>	<b>Amount of Restructured Debt (₹ million)</b>
11	22.15

Also, in view of fallout of COVID-19 and to ensure continued support to MSMEs, RBI has by its circular DOR.No.BP.BC./4/21.04.048/2020-21 dated August 6, 2020 on “Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances” extended the scheme for MSME borrowers/accounts which were classified as ‘Standard’ as on March 1, 2020. Only those accounts are eligible to be covered under the scheme which have aggregate exposure, including non-fund based facilities, of banks and NBFCs not exceeding ₹ 250 million as on March 1, 2020. The restructuring exercise under the scheme can be done till March 31, 2021 and our Bank is likely to include more cases to provide support to eligible customers.

Summary of cases restructured as per the above guidelines as of December 31, 2020 is given below:

<b>No. of Accounts Restructured</b>	<b>Amount of Restructured (₹ million)</b>
1	1.30

For accounts restructured under the above two guidelines, our Bank maintains additional provision as applicable over and above the provisions already held by them.

Borrowers not eligible for coverage under the above two guidelines shall continue to be considered for resolution under the Prudential Framework, or the relevant instructions as applicable to the Bank.

Summary of cases restructured under prudential framework guidelines as of December 31, 2020 is given below:

<b>No. of Accounts Restructured</b>	<b>Amount of Restructured (₹ million)</b>
1	19.24

The Honourable Supreme Court of India, in a public interest litigation (*Gajendra Sharma v. Union of India & Another*), vide an interim order dated September 3, 2020 (“Interim Order”), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the interim order, the Bank has not classified any account which was not NPA as of August 31, 2020 as per the RBI Income Recognition, Asset Classification norms, as NPA, after August 31, 2020. Further, in light of the Interim Order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time that the Supreme Court finally decides on the matter.

### **NPA Management**

Our Bank is committed to efficiently managing and reducing its NPAs and has implemented the following measures to manage and reduce its NPA ratio:

- Our Bank has laid down processes to review portfolio quality on monthly basis. Portfolio quality is reviewed on various parameters like bounce rates, overdue position, rolled backward and rolled forward, portfolio at risk, NPA levels, etc. The collection management process includes multilevel structured reviews of the collection team at defined intervals. The market feedback coming from the field teams is utilized by the supervisors for planning appropriate action.
- The data available from credit bureau is constantly analyzed to track the level of indebtedness among customers. It also helps track borrower behavior and consistency of information submitted by borrowers.

- Our Bank also has a recovery team focused on NPAs and written-off accounts in micro banking and early interventions for other verticals.

### Productivity and Other Ratios

The following tables sets forth certain information relating to our productivity and other ratios:

	As of December 31,	
	2019	2020
Banking Outlets	439	554
Business Correspondents	17	16
ATMs	25	25
Total number of employees	4,423	4,770
Gross Advances per employee (₹ million)	7.78	8.08
Gross Advances per Banking Outlet (₹ million)	78.39	69.55
Total Accounts	16,20,674	21,04,419
- Borrower Accounts*	15,13,293	16,88,813
- Deposit Accounts	1,07,381	4,15,606
• Current Accounts	3,708	5,599
• Savings Accounts	47,914	3,34,989
• Term Deposits	55,759	75,018
Disbursements per Banking Outlet (₹ million)	52.70	20.93
Disbursements per employee (₹ million)	5.23	2.43
Deposits per employee (₹ million)	5.63	7.01
Deposits per Banking Outlet (₹ million)	56.75	60.36

Notes:

\* Borrower accounts are computed on the basis of accounts forming part of our Gross Loan Portfolio.

	As of March 31,		
	2018	2019	2020
Banking Outlets	240	382	477
Business Correspondents	0	6	14
ATMs	24	24	26
Total number of employees	2,883	3,931	4,695
Gross Advances per employee (₹ million)	5.54	6.97	7.72
Gross Advances per Banking Outlet (₹ million)	66.50	71.74	76.02
Total Accounts	909,222	1,375,472	1,695,230
- Borrower Accounts*	892,282	1,322,333	1,566,155
- Deposit Accounts	16,940	53,139	129,075
• Current Accounts	787	1,920	4,272
• Savings Accounts	8,508	20,779	61,404
• Term Deposits	7,645	30,440	63,399
Disbursements per Banking Outlet (₹ million)	71.20	74.77	64.79
Disbursements per employee (₹ million)	5.93	7.27	6.58
Deposits per employee (₹ million)	2.60	4.05	6.07
Deposits per Banking Outlet (₹ million)	31.23	41.71	59.72

Notes:

\* Borrower accounts are computed on the basis of accounts forming part of our Gross Loan Portfolio.

The following tables sets forth information relating to our customer base:

	As of December 31,	
	2019	2020
Only Borrowers	13,41,276	10,83,900
Only Depositors	47,704	1,08,340
Both Borrowers and Depositors	31,815	2,49,687
<b>Of Only Depositors:</b>		
CASA Customers	35,170	84,823
Term Deposit Customers	4,268	8,380
Both CASA and TD	8,266	15,137

	As of March 31,		
	2018	2019	2020
Only Borrowers	794,025	1,124,834	1,362,389

Only Depositors	8,385	21,382	58,047
Both Borrowers and Depositors	2,551	4,177	37,636
<b>Of Only Depositors:</b>			
CASA Customers	4,803	12,336	43,451
Term Deposit Customers	1,680	3,028	4,981
Both CASA and TD	1,902	6,018	9,615

The following tables set forth information relating to our digital banking channels:

	<b>As of and for the period ended December 31,</b>	
	<b>2019</b>	<b>2020</b>
Total Debit Cards Issued	28,444	1,02,704
No. of Active Debit Cards	NA	1,58,488.00
Number of Debit Card Transactions	2,45,650	3,50,330
Value of Debit Card Transactions (₹ million)	221.65	320.83
Number of Internet Banking Transactions	67,428	87,685
Value of Internet Banking Transactions (₹ million)	2,897.72	6,342.94
Number of Mobile Banking Transactions	2,34,825	3,93,260
Value of Mobile Banking Transactions (₹ million)	3,640.79	7,820.51

	<b>As of and for the year ended March 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Debit Cards Issued	11,098	13,596	34,217
No. of Active Debit Cards	NA	NA	53,972
Number of Debit Card Transactions	27,544	127,292	360,398
Value of Debit Card Transactions (₹ million)	106.48	110.55	323.88
Number of Internet Banking Transactions	8,241	40,417	101,820
Value of Internet Banking Transactions (₹ million)	477.39	1,454.65	4,703.66
Number of Mobile Banking Transactions	17,911	143,280	338,368
Value of Mobile Banking Transactions (₹ million)	480.38	1,890.61	5,352.24

## **FINANCIAL INFORMATION**

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**Report of Independent Auditor on the restated summary statement of assets and liabilities as at December 31, 2020 and 2019, March 31, 2020, March 31, 2019 and March 31, 2018 , restated summary statement of profits and losses and restated summary statement of cash flows for the nine month ended December 31, 2020 and 2019, years ended March 31, 2020, March 31, 2019 and March 31, 2018 along with the summary statement of significant accounting policies and other explanatory information of Suryoday Small Finance Bank Limited (collectively, the “Restated Financial Information”)**

**The Board of Directors**  
**Suryoday Small Finance Bank Limited**  
1101, Sharda Terraces  
Plot No. 65, Sector 11, CBD Belapur  
Navi Mumbai 400 614  
Maharashtra, India

Dear Sirs / Madams,

1. We have examined the Restated Financial Information of Suryoday Small Finance Bank Limited (“the Bank”) as at December 31, 2020 and 2019, March 31, 2020, March 31, 2019 and March 31, 2018, annexed to this report for the purpose of inclusion in the Addendum to the Draft Red Herring Prospectus (“Addendum to the DRHP”), Red Herring Prospectus (“RHP”) and Prospectus, prepared by the Bank in connection with its proposed Initial Public Offer of equity shares of face value of Rs.10 each (“Issue”). The Restated Financial Information, which have been approved by the Board of Directors of the Bank at their meeting held on February 08, 2021, have been prepared by the Bank in accordance with the requirements of:
  - a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

#### **Management’s Responsibility for the Restated Financial Information**

2. The Bank’s Management are responsible for the preparation of Restated Financial Information for the purpose of inclusion in the Addendum to the DRHP to be filed with Securities and Exchange Board of India (“SEBI”) , BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”), and the RHP and the Prospectus to be filed with the Registrar of Companies, Maharashtra at Mumbai (“RoC”) in connection with the proposed Issue. The Restated Financial Information have been prepared by the Management of the Bank in accordance with the basis of preparation stated in Note 2 to Annexure 21 of the Restated Financial Information. The Management of the Bank is responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Bank complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

### **Auditor's Responsibility**

3. We have examined the Restated Financial Information taking into consideration:

- a) the terms of reference and our engagement agreed with you vide our engagement letter dated April 10, 2020 and addendum to the engagement letter dated February 08, 2021, requesting us to carry out work on such Restated Financial Information, proposed to be included in the DRHP, Addendum to the DRHP, RHP and Prospectus of the Bank in connection with the Bank's proposed Issue;
- b) the Guidance note requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
- c) the concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the proposed Issue.

### **Restated Financial Information as per the audited financial statements**

- 4. The Restated Financial Information have been compiled by the Management from the audited special purpose interim financial statements of the Bank as at and for the nine month ended December 31, 2020 and December 31, 2019 prepared in accordance with the recognition and measurement principles of Accounting Standards (AS) 25 'Interim Financial Reporting' prescribed and audited financial statements for each of the years ended March 31, 2020, March 31, 2019 and March 31 2018, prepared in accordance with accounting standards notified under section 133 of the Act read with the Companies (Accounts) Rules, 2014, as applicable to the Bank (the "Indian GAAP"), the Banking Regulation Act, 1949 and directions issued by the Reserve Bank of India from time to time and have been approved by the Board of Directors at their meeting held on February 08, 2021.
- 5. For the purpose of our examination, we have relied on:
  - a) Auditor's Report issued by us dated February 08, 2021 on the special purpose interim financial statements of the Bank as at and for the nine month ended December 31, 2020 and December 31, 2019, as referred in Para 4 above.
  - b) Auditor's Report issued by us dated May 27, 2020 on the financial statements of the Bank as at and for the year ended March 31, 2020, as referred in Para 4 above.
  - c) Auditor's Reports issued by BSR & Associates LLP, ("Previous Auditor"), dated May 29, 2019 and May 30, 2018 on the financial statements of the Bank as at for the years ended March 31, 2019 and March 31, 2018 respectively, as referred in Para 4 above.



The audited financial statements for the year ended March 31, 2019 and March 31, 2018 and the Independent Auditor's Reports thereon issued by the Previous Auditor have been furnished to us by the Bank. Upon specific request by the Bank, we have examined and reported on the restated financial information for the year ended March 31, 2019 and March 31, 2018. The adjustments in so far as it relates to the amounts, disclosures, material errors, regrouping, reclassification, etc., included in respect of the year ended March 31, 2019 and March 31, 2018 is restricted to and based solely on the audited financial statements and auditor's reports issued by the Previous Auditor for such years. We have not performed any additional procedures other than those stated herein and do not accept any responsibility of whatsoever nature in this regard.

6. Based on the above and according to the information and explanations given to us, we report that:
  - i) Restated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regrouping/reclassifications as more fully described in Annexure 4 to the Restated Financial Information (Restated Statement of Adjustments to Audited Financial Statements) retrospectively in the nine month period ended December 31, 2019, financial years as at and for the year March 31, 2020, March 31, 2019, and March 31, 2018 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month ended December 31, 2020;
  - ii) there are no qualifications in the auditor's reports on the audited financial statements of the Bank as at and for the nine month ended December 31, 2020 and 2019, years ended March 31, 2020, March 31, 2019 and March 31, 2018, which require any adjustments to the Restated Financial Information; and
  - iii) Restated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.
7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the report on the audited financial statements mentioned in paragraph 4 above.
8. We draw attention to Note 15 in Annexure 22 to the Restated Financial Information, which describes that the extent to which the COVID-19 Pandemic will impact the Bank's financial statements will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

9. According to the information and explanations given to us, in our opinion, the Restated Financial Information, read with Summary of Significant Accounting Policies disclosed in Annexure 21 , accompanying this report, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure 4 and have been prepared in accordance with the Act, SEBI ICDR Regulations, to the extent applicable, and the Guidance Note.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us or by the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
12. Our report is intended solely for use of the Board of Directors and for inclusion in the Addendum to the DRHP, RHP and Prospectus to be filed with the SEBI, BSE Limited, the National Stock Exchange of India Limited and the RoC, as applicable in connection with the proposed Issue. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept any liability or any duty of care towards any other person relying on the statement.

**For MSKC & Associates (Formerly known as R. K. Kumar & Co.)**

Chartered Accountants

ICAI Firm registration number: 001595S

Tushar Kurani

Partner

Membership No. 118580

UDIN: 21118580AAAAAE6264

Mumbai

February 08, 2021

**Suryoday Small Finance Bank Limited**  
**Annexure 1: Restated Summary Statement of Assets and Liabilities**

		<i>Amt. in millions</i>				
<i>Annexure</i>		As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>CAPITAL AND LIABILITIES</b>						
Capital	5	891.85	863.12	865.94	815.82	674.97
Reserves and Surplus	6	11,017.77	9,890.01	9,796.35	7,987.83	4,709.88
Deposits	7	33,438.40	24,913.57	28,487.15	15,934.25	7,495.22
Borrowings	8	14,870.79	8,869.30	12,646.15	11,242.28	7,178.32
Other Liabilities and Provisions	9	3,285.28	1,355.57	1,849.63	1,631.85	1,501.25
<b>TOTAL</b>		<b>63,504.09</b>	<b>45,891.57</b>	<b>53,645.22</b>	<b>37,612.03</b>	<b>21,559.64</b>
<b>ASSETS</b>						
Cash and Balances with Reserve Bank of India	10	889.02	741.65	605.27	483.04	308.22
Balances with Banks and Money at Call and Short Notice	11	7,442.57	1,083.18	7,770.71	2,280.58	1,763.40
Investments	12	15,114.41	8,928.26	8,081.98	6,643.93	3,113.43
Advances	13	37,822.63	33,609.03	35,319.44	26,795.84	15,686.78
Fixed Assets	14	433.58	307.36	387.30	189.77	135.41
Other Assets	15	1,801.88	1,222.09	1,480.52	1,218.87	552.40
<b>TOTAL</b>		<b>63,504.09</b>	<b>45,891.57</b>	<b>53,645.22</b>	<b>37,612.03</b>	<b>21,559.64</b>
Contingent Liabilities	16	48.76	114.04	46.23	285.39	77.92
Bills for collection		-	-	-	-	-
Significant Accounting Policies and Notes to the financial statements	21 & 22					
The annexures referred to above form an integral part of the financial statements						

As per our report of even date  
**For MSKC & Associates**  
**(Formerly known as R.K. Kumar & Co.)**  
**Chartered Accountants**  
Firm Registration No: 001595S

**For and on behalf of the Board of Directors**

**Tushar Kurani**  
Partner  
Membership No: 118580

**R. Ramachandran**  
Chairman  
DIN-01953653

**R. Baskar Babu**  
Managing Director and  
Chief Executive Officer  
DIN-02303132

**Jyotin Mehta**  
Director  
DIN-00033518

Place: Navi Mumbai  
Date: February 08, 2021

**Geeta Krishnan**  
Company Secretary

**Bhavin Damania**  
Chief Financial Officer

Suryoday Small Finance Bank Limited  
Annexure 2: Restated Summary Statement of Profit and Loss

		Amt. in millions				
	Annexure	Period ended December 31, 2020	Period ended December 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
<b>I. INCOME</b>						
Interest earned	17	6,243.49	5,632.15	7,666.85	5,301.07	2,868.82
Other income	18	649.24	631.43	874.53	669.22	380.44
<b>TOTAL</b>		<b>6,892.73</b>	<b>6,263.58</b>	<b>8,541.38</b>	<b>5,970.29</b>	<b>3,249.26</b>
<b>II. EXPENDITURE</b>						
Interest expended	19	2,710.72	2,020.83	2,757.80	1,897.33	1,210.52
Operating expenses	20	2,316.35	1,883.72	2,721.21	1,907.43	1,313.77
Provisions and contingencies		1,317.00	1,092.25	1,950.39	1,261.55	610.05
<b>TOTAL</b>		<b>6,344.07</b>	<b>4,996.80</b>	<b>7,429.40</b>	<b>5,066.31</b>	<b>3,134.34</b>
<b>III. PROFIT</b>						
Net profit for the period/ year		548.66	1,266.78	1,111.98	903.98	114.92
Balance in Profit and loss account brought forward		2,048.30	1,286.23	1,286.23	618.55	529.50
<b>IV. APPROPRIATIONS</b>						
Transfer to Statutory reserve		-	-	277.34	216.49	25.32
Transfer to Investment Fluctuation reserve		-	-	71.04	19.41	-
Transfer to Capital reserve		-	-	1.53	0.40	-
Transfer to Revenue and other Reserve		-	-	-	-	0.55
<b>Balance carried over to Balance Sheet</b>		<b>2,596.96</b>	<b>2,553.01</b>	<b>2,048.30</b>	<b>1,286.23</b>	<b>618.55</b>
<b>V. EARNING PER EQUITY SHARE ( Face value of ₹ 10 per share)</b>						
Basic	22 (2)	6.19	15.49	13.41	13.35	1.76
Diluted	22 (2)	6.05	15.43	13.30	13.16	1.76

Significant Accounting Policies and Notes to the financial statements 21 & 22  
The annexures referred to above form an integral part of the financial statements

As per our report of even date  
**For MSKC & Associates**  
(Formerly known as R.K. Kumar & Co.)  
**Chartered Accountants**  
Firm Registration No: 001595S

For and on behalf of the Board of Directors

**Tushar Kurani**  
Partner  
Membership No: 118580

**R. Ramachandran**  
Chairman  
DIN-01953653

**R. Baskar Babu**  
Managing Director and  
Chief Executive Officer  
DIN-02303132

**Jyotin Mehta**  
Director  
DIN-00033518

Place: Navi Mumbai  
Date: February 08, 2021

**Geeta Krishnan**  
Company Secretary

**Bhavin Damania**  
Chief Financial Officer

**Suryoday Small Finance Bank Limited**  
**Annexure 3: Restated Summary Statement of Cash Flows**

	<i>Amt. in millions</i>				
	Period ended December 31, 2020	Period ended December 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flows from/ (used in) operating activities</b>					
Profit before taxes	700.57	1,783.63	1,543.76	1,427.24	178.36
<b>Adjustments for:</b>					
Depreciation on fixed assets	98.56	50.00	97.84	55.94	46.64
Amortisation of premium on held to maturity investment	15.95	15.78	21.62	17.35	16.05
Profit on sale of fixed assets	-	(0.12)	(0.19)	(0.08)	(0.21)
Provision for non performing assets ( net of write off)	384.98	461.85	603.88	412.08	500.26
Floating provision	5.55	52.90	209.02	260.57	-
Provision for COVID-19	747.20	-	659.91	-	-
Other provision for advances	3.12	20.55	3.69	31.60	27.59
Provision for standard assets	24.10	24.74	42.11	34.05	19.88
Employee stock option expenses	50.02	24.19	49.93	25.56	35.05
Interest on amortisation of short term borrowing	-	-	-	-	70.72
Provision for depreciation/ (write back) on investment	0.15	15.36	-	-	(1.12)
	<b>2,030.20</b>	<b>2,448.88</b>	<b>3,231.57</b>	<b>2,264.31</b>	<b>893.22</b>
<b>Adjustments for:</b>					
(Increase)/ Decrease in investments	(5,801.49)	(966.76)	(8.40)	(3,248.74)	3,697.38
Increase in advances	(2,893.72)	(7,327.94)	(9,336.50)	(11,781.71)	(8,053.08)
Increase in deposits	4,951.25	8,979.32	12,552.90	8,439.03	7,274.59
Increase in others assets	(254.96)	(29.56)	(14.13)	(564.34)	(102.05)
Increase/(Decrease) in Other liabilities and provisions	548.34	(308.21)	(484.16)	96.53	943.99
	<b>(3,450.58)</b>	<b>346.85</b>	<b>2,709.71</b>	<b>(7,059.23)</b>	<b>3,760.83</b>
Direct taxes paid (net of refunds)	(105.43)	(503.86)	(683.07)	(656.98)	(78.58)
<b>Net cash flow (used in)/ from operating activities</b>	<b>(1,525.81)</b>	<b>2,291.87</b>	<b>5,258.21</b>	<b>(5,451.90)</b>	<b>4,575.47</b>
<b>Cash flow used in investing activities</b>					
Purchase of fixed assets	(90.67)	(24.98)	(227.20)	(104.75)	(116.37)
Proceeds from sale of fixed assets	-	0.35	0.51	0.08	1.38
Net Decrease/(Increase) in fixed deposit	26.00	(183.88)	78.84	273.61	147.14
(Increase)/ Decrease in capital work in progress	(54.17)	(142.84)	(68.49)	(5.55)	10.95
Net Investment in banking book	(1,247.04)	(1,348.71)	(1,451.27)	(299.10)	(886.46)
<b>Net cash used in investing activities</b>	<b>(1,365.88)</b>	<b>(1,700.06)</b>	<b>(1,667.61)</b>	<b>(135.71)</b>	<b>(843.36)</b>
<b>Cash flow from financing activities</b>					
Proceeds from issue of share capital (inclusive of issue expense)	648.66	658.50	696.72	2,489.26	255.59
Proceeds from borrowings	5,439.23	966.28	5,885.56	10,220.00	2,200.01
Repayment of borrowings	(3,214.59)	(3,339.26)	(4,481.68)	(6,156.04)	(5,308.16)
<b>Net cash flow from/ (used in) financing activities</b>	<b>2,873.30</b>	<b>(1,714.48)</b>	<b>2,100.60</b>	<b>6,553.22</b>	<b>(2,852.56)</b>

Net (decrease)/ increase in cash and cash equivalents	(18.39)	(1,122.67)	5,691.20	965.61	879.55
Cash and cash equivalents at the beginning of the period/ year	8,345.48	2,654.28	2,654.28	1,688.67	809.12
Cash and cash equivalents at the end of the period/ year	8,327.09	1,531.61	8,345.48	2,654.28	1,688.67

*Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks in current accounts including money at call and short notice.*

As per our report of even date

**For MSKC & Associates**  
(Formerly known as R.K. Kumar & Co.)  
**Chartered Accountants**  
Firm Registration No: 001595S

**For and on behalf of the Board of Directors**

**Tushar Kurani**  
Partner  
Membership No: 118580

**R. Ramachandran**  
Chairman  
DIN-01953653

**R. Baskar Babu**  
Managing Director and  
Chief Executive Officer  
DIN-02303132

**Jyotin Mehta**  
Director  
DIN-00033518

Place: Navi Mumbai  
Date: February 08, 2021

**Geeta Krishnan**  
Company Secretary

**Bhavin Damania**  
Chief Financial Officer

**Suryoday Small Finance Bank Limited**

**Annexure 4: Restated Statement of Adjustments to Audited Financial Statements**

**Annexure 4.1:** Summarised below are the restatement adjustments made to the Audited Financial Statements for the periods ended December 31, 2020, December 31, 2019 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 and their impact on the profit/ (loss) of the Bank:

	Period ended December 31, 2020	Period ended December 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	<i>Amt. in millions</i> Year ended March 31, 2018
<b>I Profit after tax as per audited financial statements (A)</b>	<b>548.66</b>	<b>1,264.17</b>	<b>1,109.37</b>	<b>865.97</b>	<b>101.26</b>
<b>II Impact of Adjustments</b>					
<b>a Finance Cost</b>					
Amortisation of borrowing cost (Refer Note 1)	-	4.02	4.02	15.59	21.01
<b>b Reserves and Surplus</b>					
Share issue expenses adjusted against securities premium account (Refer Note 2)	-	-	-	27.87	
<b>Total impact of adjustments before tax (B)</b>	<b>-</b>	<b>4.02</b>	<b>4.02</b>	<b>43.46</b>	<b>21.01</b>
<b>Tax Adjustment</b>					
Deferred Tax (Refer Note 3)	-	(1.41)	(1.41)	(5.45)	(7.35)
<b>Total Tax Adjustment ( C )</b>	<b>-</b>	<b>(1.41)</b>	<b>(1.41)</b>	<b>(5.45)</b>	<b>(7.35)</b>
<b>Net effect of increase in profit on adjustment after tax (D) = (B) - ( C )</b>	<b>-</b>	<b>2.61</b>	<b>2.61</b>	<b>38.01</b>	<b>13.66</b>
<b>III Profit after adjustments (As per Restated Statement of Profit and Loss) ( E) = ( A + D)</b>	<b>548.66</b>	<b>1,266.78</b>	<b>1,111.98</b>	<b>903.98</b>	<b>114.92</b>

Explanatory notes for the above adjustments

- 1 With effect from 1 April, 2019, the Bank changed its accounting policy for recognising borrowing costs in the period in which they were incurred against recognising these over the tenure of the borrowings. The above adjustment has been made to give effect of such change in accounting policy in the respective financial years
- 2 In FY 2019-20, on receipt of the RBI approval, The Bank debited share issue expenses to shares premium account in accordance with RBI/2006-07/132 DBOD.BP.BC No. 31 / 21.04.018/ 2006-07. The Bank has adjusted the share issue expenses in the year in which the equity capital was raised.
- 3 The above restatement will have corresponding impact on deferred taxes. Accordingly, the timing difference arising on account of restatement for the above years has been considered in the respective financial years.

**Suryoday Small Finance Bank Limited****Annexure 4: Restated Statement of Adjustments to Audited Financial Statements****Annexure 4.2: Notes**

<b>1</b>	<b>Adjustments for Audit Qualifications</b>	<b>Nil</b>
<b>2</b>	<b>Changes in Accounting Policy:</b>	
<b>a</b>	<b>Borrowing Cost</b>	Borrowing cost are recognised upfront instead of amortising over the tenor of the borrowing
<b>b</b>	<b>PSLC Income</b>	The Bank used to book income upfront and changed to amortise the income over the residual quarters
<b>3</b>	<b>Regrouping and Reclassifications</b>	Refer Annexure 4.3

**Notes**

- 1 With effect from 1 April, 2019, the Company changed its accounting policy for recognising borrowing costs in the period in which they were incurred against recognising these over the tenure of the borrowings. The above adjustment has been made to give effect of such change in accounting policy in the respective financial years.
- 2 In FY 2019-20, on receipt of the RBI approval, The Bank debited share issue expenses to shares premium account in accordance with RBI/2006-07/132 DBOD.BP.BC No. 31 / 21.04.018/ 2006-07. The Bank has adjusted the share issue expenses in the year in which the equity capital was raised.
- 3 The above restatement will have corresponding impact on deferred taxes. Accordingly, the timing difference arising on account of restatement for the above years has been considered in the respective financial years.



**Suryoday Small Finance Bank Limited**

**Annexure 4: Restated Statement of Adjustments to Audited Financial Statements**

**Annexure 4.3: Regrouping and Reclassifications**

Appropriate adjustments have been made in the restated summary statement of assets and liabilities, restated summary statement of profit and loss and restated summary statement of cash flows in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended), by reclassification of the corresponding items of income, expense, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Bank as at and for the year ended March 31, 2020.

**Regrouping for the year ended 31 March 2018**

<i>Amt. in millions</i>			
Particulars	As per Audited Financial Statements	Changes due to Regrouping	As per Restated Summary Statements
<b>Assets and Liabilities</b>			-
Other liabilities including provisions	1,382.89	(64.09)	1,318.80
Advances - Term loans	15,662.18	(62.58)	15,599.60
Interest accrued other liabilities	140.77	1.51	142.28
Deposits - Demand Deposit from others	143.01	0.05	143.06
Deposits - Term Deposit from others	2,652.58	(0.05)	2,652.53
Interest accrued other assets	270.22	0.12	270.34
Cash credit, overdraft and loan repayable on demands- Advances	87.30	(0.12)	87.18

**Suryoday Small Finance Bank Limited**  
**Notes forming part of the Restated Summary Statement of Assets and Liabilities**

	Period ended December 31, 2020	Period ended December 31, 2019	As at March 31, 2020	As at March 31, 2019	Amt. in millions As at March 31, 2018
<b>Annexure 5 - RESTATED STATEMENT OF CAPITAL</b>					
<b>Authorised capital</b>					
December 31, 2020: 125,000,000; December 31, 2019: 100,000,000; March 31, 2020 and March 31, 2019: 100,000,000; March 31, 2018: 75,000,000; equity shares of ₹ 10 each	<b>1,250.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>750.00</b>
<b>Issued, Subscribed and Paid-up Capital</b>					
December 31, 2020: 89,184,939; December 31, 2019: 86,311,874; March 31, 2020: 86,594,131; March 31, 2019: 81,582,482; March 31, 2018: 67,496,672 equity shares of ₹ 10 each fully paid up (Refer - Annexure 22 (1.2))	891.85	863.12	865.94	815.82	674.97
<b>Total</b>	<b>891.85</b>	<b>863.12</b>	<b>865.94</b>	<b>815.82</b>	<b>674.97</b>
<b>Annexure 6 - RESTATED STATEMENT OF RESERVES AND SURPLUS</b>					
<b>I. Statutory Reserve</b>					
[Created pursuant to Section 17(2) of Banking Regulation Act, 1949]					
Opening Balance	669.99	392.65	392.65	176.16	150.84
Addition during the year (Refer - Annexure 22 (3.1))	-	-	277.34	216.49	25.32
<b>Total</b>	<b>669.99</b>	<b>392.65</b>	<b>669.99</b>	<b>392.65</b>	<b>176.16</b>
<b>II. Capital Reserve</b>					
Opening Balance	1.93	0.40	0.40	-	-
Addition during the year (Refer - Annexure 22 (3.4))	-	-	1.53	0.40	-
<b>Total</b>	<b>1.93</b>	<b>0.40</b>	<b>1.93</b>	<b>0.40</b>	<b>-</b>
<b>III. Share Premium Account</b>					
Opening Balance	6,910.81	6,240.48	6,240.48	3,880.05	3,648.22
Addition during the year	634.53	618.68	670.34	2,388.30	232.18
Amounts utilized toward share issue expenses (Refer - Annexure 22 (3.5))	(4.38)	-	-	(27.87)	(0.35)
<b>Total</b>	<b>7,540.96</b>	<b>6,859.16</b>	<b>6,910.82</b>	<b>6,240.48</b>	<b>3,880.05</b>
<b>IV. General Reserves</b>					
Opening Balance	3.29	1.81	1.81	0.48	0.42
Addition during the year (Refer - Annexure 22 (3.1))	1.55	1.10	1.48	1.33	0.06
<b>Total</b>	<b>4.84</b>	<b>2.91</b>	<b>3.29</b>	<b>1.81</b>	<b>0.48</b>
<b>V. Employee Stock Options Outstanding Account (ESOP)</b>					
Opening Balance	71.02	46.30	46.30	34.09	9.66
Employee compensation expense for the year	50.02	24.19	49.93	25.56	35.05
Transfer to Securities Premium Account	(10.06)	(7.47)	(23.73)	(12.02)	(10.56)
Transfer to General Reserve for Non- exercise of ESOP's	(1.55)	(1.10)	(1.48)	(1.33)	(0.06)
<b>Total</b>	<b>109.43</b>	<b>61.92</b>	<b>71.02</b>	<b>46.30</b>	<b>34.09</b>
<b>VI. Investment Reserve Account</b>					
Opening Balance	0.55	0.55	0.55	0.55	-
Addition during the year (Refer - Annexure 22 (3.2))	-	-	-	-	0.55
<b>Total</b>	<b>0.55</b>	<b>0.55</b>	<b>0.55</b>	<b>0.55</b>	<b>0.55</b>
<b>VII. Investment Fluctuation Reserve</b>					
Opening Balance	90.45	19.41	19.41	-	-
Addition during the year (Refer - Annexure 22 (3.3))	-	-	71.04	19.41	-
<b>Total</b>	<b>90.45</b>	<b>19.41</b>	<b>90.45</b>	<b>19.41</b>	<b>-</b>
<b>VIII. Balance in Profit and Loss Account</b>					
Balance brought from Profit and Loss	2,596.96	2,553.01	2,048.30	1,286.23	618.55
Addition: Share issue expenses adjusted from Share Premium Account	2.66	-	-	-	-
<b>Total</b>	<b>2,599.62</b>	<b>2,553.01</b>	<b>2,048.30</b>	<b>1,286.23</b>	<b>618.55</b>
<b>Total</b>	<b>11,017.77</b>	<b>9,890.01</b>	<b>9,796.35</b>	<b>7,987.83</b>	<b>4,709.88</b>

Note: Transfer of 25% of the profit after tax before restatement adjustment. Further, the Bank appropriates Net Profit towards various regulatory reserves only at the year end hence no transfers are made for the nine month ended December 31, 2019 and December 31, 2020.

Suryoday Small Finance Bank Limited  
Notes forming part of the Restated Summary Statement of Assets and Liabilities

	Period ended December 31, 2020	Period ended December 31, 2019	As at March 31, 2020	As at March 31, 2019	Amt. in millions As at March 31, 2018
<b>Annexure 7 - RESTATED STATEMENT OF DEPOSITS</b>					
<b>A. I. Demand Deposits</b>					
i) From banks	221.07	119.14	267.28	116.17	3.10
ii) From others	275.61	190.60	318.71	344.46	143.06
<b>Total</b>	<b>496.68</b>	<b>309.74</b>	<b>585.99</b>	<b>460.63</b>	<b>146.16</b>
<b>II Savings Bank Deposits</b>	3,957.23	2,663.53	2,674.54	1,331.82	680.53
<b>III. Term Deposits</b>					
i) From banks	9,938.68	10,984.06	12,254.52	6,136.94	4,016.00
ii) From others	19,045.81	10,956.24	12,972.10	8,004.86	2,652.53
<b>Total</b>	<b>28,984.49</b>	<b>21,940.30</b>	<b>25,226.62</b>	<b>14,141.80</b>	<b>6,668.53</b>
<b>Total</b>	<b>33,438.40</b>	<b>24,913.57</b>	<b>28,487.15</b>	<b>15,934.25</b>	<b>7,495.22</b>
<b>B. I. Deposits of branches in India</b>	33,438.40	24,913.57	28,487.15	15,934.25	7,495.22
<b>II. Deposits of branches outside India</b>	-	-	-	-	-
<b>Total</b>	<b>33,438.40</b>	<b>24,913.57</b>	<b>28,487.15</b>	<b>15,934.25</b>	<b>7,495.22</b>

**Annexure 8 - RESTATED STATEMENT OF BORROWINGS**

<b>I. Borrowings in India*</b>					
i) Reserve Bank of India	-	-	540.00	-	200.00
ii) Other banks	-	8.52	0.09	33.78	1,298.94
iii) Other institutions and agencies	13,470.79	8,210.78	11,456.06	10,008.50	2,214.38
iv) Unsecured redeemable debentures and term loan (Subordinate debts included in Tier 2 capital)	1,400.00	600.00	600.00	600.00	600.00
v) Non convertible debenture (excluding subordinate debts)	-	50.00	50.00	250.00	1,350.00
<b>Total</b>	<b>14,870.79</b>	<b>8,869.30</b>	<b>12,646.15</b>	<b>10,892.28</b>	<b>5,663.32</b>
<b>II. Borrowings outside India *</b>	-	-	-	350.00	1,515.00
<b>Total</b>	<b>14,870.79</b>	<b>8,869.30</b>	<b>12,646.15</b>	<b>11,242.28</b>	<b>7,178.32</b>

\* Includes secured borrowings of Nil, ₹ 58.52 million, ₹ 50.09 million, ₹ 438.78 million, ₹ 2,642.99 millions as on December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019; and March 31, 2018 respectively other than under Repo (including tri-party repo).

**Annexure 9 - RESTATED STATEMENT OF OTHER LIABILITIES AND PROVISIONS**

I. Bills payable	122.44	51.10	48.91	23.44	0.47
II. Inter - office adjustments (net)	0.80	1.30	1.17	-	-
III. Interest accrued	174.94	207.99	220.28	328.51	142.28
IV. Others ( including provisions)	-	-	-	-	-
(i) Contingent provisions against standard assets	139.96	98.49	115.86	73.75	39.70
(ii) Others Liabilities (including provisions)	2,847.14	996.69	1,463.41	1,206.15	1,318.80
<b>Total</b>	<b>3,285.28</b>	<b>1,355.57</b>	<b>1,849.63</b>	<b>1,631.85</b>	<b>1,501.25</b>

	Period ended December 31, 2020	Period ended December 31, 2019	As at March 31, 2020	As at March 31, 2019	<i>Amt. in millions</i> As at March 31, 2018
<b>Annexure 10 - RESTATED STATEMENT OF CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>					
I. Cash in hand	108.77	110.76	63.52	53.50	31.51
II. Balances with Reserve Bank of India					
i) in Current account	780.25	630.89	541.75	429.54	276.71
ii) in Other accounts	-	-	-	-	-
<b>Total</b>	<b>889.02</b>	<b>741.65</b>	<b>605.27</b>	<b>483.04</b>	<b>308.22</b>

**Annexure 11 - RESTATED STATEMENT OF BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE**

<b>I. In India</b>					
i) Balances with banks					
a) In Current accounts	258.07	159.96	150.21	141.32	153.26
b) In Other deposit accounts*	4.50	293.22	30.50	109.34	410.32
<b>Total</b>	<b>262.57</b>	<b>453.18</b>	<b>180.71</b>	<b>250.66</b>	<b>563.58</b>
ii) Money at call and short notice					
a) With banks	7,180.00	630.00	6,790.00	1,880.00	850.00
b) With other institutions	-	-	800.00	149.92	349.82
<b>Total</b>	<b>7,180.00</b>	<b>630.00</b>	<b>7,590.00</b>	<b>2,029.92</b>	<b>1,199.82</b>
<b>Total</b>	<b>7,442.57</b>	<b>1,083.18</b>	<b>7,770.71</b>	<b>2,280.58</b>	<b>1,763.40</b>
<b>II. Outside India</b>					
i) In Current account	-	-	-	-	-
ii) In Deposit account	-	-	-	-	-
iii) Money at call and short notice	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7,442.57</b>	<b>1,083.18</b>	<b>7,770.71</b>	<b>2,280.58</b>	<b>1,763.40</b>

\* Deposit with banks include ₹ 4.50 million, ₹ 43.22 million, ₹ 4.50 million, ₹ 109.34 million, ₹ 382.95 million, as on December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019; March 31, 2018 respectively under bank guarantee, lien marked towards term loans availed from banks, financial institutions, security deposit, and cash collateral placed in connection with securitisation of receivables.

**Annexure 12 - RESTATED STATEMENT OF INVESTMENTS**

<b>A. Investments in India</b>					
i) Government securities	15,051.36	7,939.77	6,851.99	4,659.50	2,868.14
ii) Other approved securities	-	-	-	-	-
iii) Shares	7.55	-	-	-	-
iv) Debentures and bonds	-	-	-	-	-
v) Subsidiaries / joint ventures	-	-	-	-	-
vi) Others (SDL, Certificate of Deposit, Mutual fund and Commercial Paper)	55.50	988.49	1,229.99	1,984.43	245.29
<b>Total</b>	<b>15,114.41</b>	<b>8,928.26</b>	<b>8,081.98</b>	<b>6,643.93</b>	<b>3,113.43</b>
<b>B. Investments outside India</b>					
i) Government securities	-	-	-	-	-
ii) Subsidiaries / joint ventures	-	-	-	-	-
iii) Others (equity shares and bonds)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>15,114.41</b>	<b>8,928.26</b>	<b>8,081.98</b>	<b>6,643.93</b>	<b>3,113.43</b>

**Suryoday Small Finance Bank Limited**  
**Notes forming part of the Restated Summary Statement of Assets and Liabilities**

	Period ended December 31, 2020	Period ended December 31, 2019	As at March 31, 2020	As at March 31, 2019	<i>Amt. in millions</i> As at March 31, 2018
<b>C. Investments</b>					
<b>i) Gross value of investments</b>					
a) In India	15,114.56	8,943.62	8,081.98	6,643.93	3,113.43
b) Outside India	-	-	-	-	-
<b>Total</b>	<b>15,114.56</b>	<b>8,943.62</b>	<b>8,081.98</b>	<b>6,643.93</b>	<b>3,113.43</b>
<b>ii) Provision for depreciation</b>					
a) In India	0.15	15.36	-	-	-
b) Outside India	-	-	-	-	-
<b>Total</b>	<b>0.15</b>	<b>15.36</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>iii) Net value of investments</b>					
a) In India	15,114.41	8,928.26	8,081.98	6,643.93	3,113.43
b) Outside India	-	-	-	-	-
<b>Total</b>	<b>15,114.41</b>	<b>8,928.26</b>	<b>8,081.98</b>	<b>6,643.93</b>	<b>3,113.43</b>
<b>Annexure 13 - RESTATED STATEMENT OF ADVANCES</b>					
<b>A.</b>					
i) Bills purchased and discounted	-	-	-	-	-
ii) Cash credits, overdrafts and loans repayable on demand	1,361.71	884.16	559.68	119.89	87.18
iii) Term loans	36,460.92	32,724.87	34,759.76	26,675.95	15,599.60
<b>Total</b>	<b>37,822.63</b>	<b>33,609.03</b>	<b>35,319.44</b>	<b>26,795.84</b>	<b>15,686.78</b>
<b>B.</b>					
i) Secured by tangible assets	9,610.15	7,662.16	7,949.37	4,201.34	813.50
ii) Covered by Bank / Government guarantees	-	-	-	-	-
iii) Unsecured	28,212.48	25,946.87	27,370.07	22,594.50	14,873.28
<b>Total</b>	<b>37,822.63</b>	<b>33,609.03</b>	<b>35,319.44</b>	<b>26,795.84</b>	<b>15,686.78</b>
<b>C. I. Advances in India</b>					
i) Priority sectors (Refer note - 22 (22))	11,095.31	7,501.81	6,857.11	3,736.16	2,161.70
ii) Public sector	-	-	-	-	-
iii) Banks	5.00	115.61	113.50	-	-
iv) Others	26,722.32	25,991.61	28,348.83	23,059.68	13,525.08
<b>Total</b>	<b>37,822.63</b>	<b>33,609.03</b>	<b>35,319.44</b>	<b>26,795.84</b>	<b>15,686.78</b>
<b>C. II. Advances outside India</b>					
i) Due from banks	-	-	-	-	-
ii) Due from others	-	-	-	-	-
(a) Bills purchased and discounted	-	-	-	-	-
(b) Syndicated loans	-	-	-	-	-
(c) Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Advances are net of provisions and Inter Bank Participation Certificates)

**Suryoday Small Finance Bank Limited**  
**Notes forming part of the Restated Summary Statement of Assets and Liabilities**

	Period ended December 31, 2020	Period ended December 31, 2019	As at March 31, 2020	As at March 31, 2019	<i>Amt. in millions</i> As at March 31, 2018
<b>Annexure 14 - RESTATED STATEMENT OF FIXED ASSETS</b>					
<b>A. Premises</b>					
At cost on March 31 of preceding year	31.87	31.87	31.87	31.87	-
Additions during the year	-	-	-	-	31.87
Deductions during the year	-	-	-	-	-
<b>Total</b>	<b>31.87</b>	<b>31.87</b>	<b>31.87</b>	<b>31.87</b>	<b>31.87</b>
<b>Depreciation</b>					
As at March 31 of the preceding year	7.88	5.36	5.36	2.58	-
Charge for the year	1.72	1.89	2.52	2.78	2.58
Deductions during the year	-	-	-	-	-
<b>Total</b>	<b>9.60</b>	<b>7.25</b>	<b>7.88</b>	<b>5.36</b>	<b>2.58</b>
<b>Net Block</b>	<b>22.27</b>	<b>24.62</b>	<b>23.99</b>	<b>26.51</b>	<b>29.29</b>
<b>B. Other Fixed assets (including furniture and fixtures)</b>					
<b>Gross Block</b>					
At cost on March 31 of the preceding year	517.75	297.69	297.69	197.91	115.64
Additions during the year	90.67	24.98	227.20	104.75	84.50
Deductions during the year	-	(5.63)	(7.14)	(4.97)	(2.23)
<b>Total</b>	<b>608.42</b>	<b>317.04</b>	<b>517.75</b>	<b>297.69</b>	<b>197.91</b>
<b>Depreciation</b>					
As at March 31 of the preceding year	236.80	148.30	148.30	100.11	57.11
Charge for the year	96.84	48.11	95.32	53.16	44.06
Deductions during the year	-	(5.40)	(6.82)	(4.97)	(1.06)
<b>Total</b>	<b>333.64</b>	<b>191.01</b>	<b>236.80</b>	<b>148.30</b>	<b>100.11</b>
<b>Net Block</b>	<b>274.78</b>	<b>126.03</b>	<b>280.95</b>	<b>149.39</b>	<b>97.80</b>
<b>C. Assets given on lease</b>	-	-	-	-	-
<b>D. Capital work in progress</b>	136.53	156.71	82.36	13.87	8.32
<b>Total</b>	<b>433.58</b>	<b>307.36</b>	<b>387.30</b>	<b>189.77</b>	<b>135.41</b>

**Annexure 15 - RESTATED STATEMENT OF OTHER ASSETS**

I. Inter - office adjustments (net)	-	-	-	-	-
II. Interest accrued	536.65	540.86	566.95	424.70	270.34
III. Tax paid in advance/tax deducted at source (net of provision for tax)	-	34.14	103.46	40.47	6.84
IV. Stationery and stamps	0.01	0.42	0.11	0.41	0.26
V. Non-banking assets acquired in satisfaction of claims	-	-	-	-	-
VI. Deferred tax assets (net)	596.77	231.95	426.89	238.60	138.50
VII. Others	668.45	414.72	383.11	514.69	136.46
<b>Total</b>	<b>1,801.88</b>	<b>1,222.09</b>	<b>1,480.52</b>	<b>1,218.87</b>	<b>552.40</b>

**Annexure 16 - CONTINGENT LIABILITIES**

I. Claims against the bank not acknowledged as debts - taxation	38.65	33.13	35.46	32.16	31.07
II. Claims against the bank not acknowledged as debts - others	0.34	-	0.33	-	-
III. Liability on account of outstanding forward exchange contracts	-	-	-	-	-
IV. Liability on account of outstanding derivative contracts	-	-	-	-	-
V. Guarantees given on behalf of constituents :	-	-	-	-	-
- In India	-	-	-	-	-
- Outside India	-	-	-	-	-
VI. Acceptances, endorsements and other obligations	-	-	-	-	-
VII. Other items for which the Bank is contingently liable	9.77	80.91	10.44	253.23	46.85
<b>Total</b>	<b>48.76</b>	<b>114.04</b>	<b>46.23</b>	<b>285.39</b>	<b>77.92</b>

**Suryoday Small Finance Bank Limited**  
**Notes forming part of the Restated Summary Statement of Profit and Loss**

					<i>Amt. in millions</i>	
		Period ended December 31, 2020	Period ended December 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Annexure 17 - RESTATED STATEMENT OF INTEREST EARNED						
I	Interest/discount on advances/bills	5,442.14	5,155.48	7,022.74	4,932.89	2,580.43
II	Income on investments	598.34	388.25	528.51	337.23	223.80
III	Interest on balances with Reserve Bank of India and other inter-bank funds	199.53	86.79	113.26	29.26	62.45
IV	Other interest	3.48	1.63	2.34	1.69	2.14
Total		6,243.49	5,632.15	7,666.85	5,301.07	2,868.82

**Annexure 18 - RESTATED STATEMENT OF OTHER INCOME**

I	Commission, exchange and brokerage	173.08	363.32	492.28	448.13
II	Profit on sale of investments (net)	243.33	55.06	71.04	39.78
III	Profit/(Loss) on sale of revaluation of investments	-	-	-	-
IV	Profit/(Loss) on sale of fixed assets (net)	-	0.12	0.19	0.08
V	Profit/(Loss) on exchange transactions (net)	-	-	-	-
VI	Income earned by way of dividends from Subsidiaries / Associates and /or Joint Venture abroad / in India	-	-	-	-
VII	Miscellaneous income	232.83	212.93	311.02	181.23
<b>Total</b>		<b>649.24</b>	<b>631.43</b>	<b>874.53</b>	<b>669.22</b>

**Annexure 19 - RESTATED STATEMENT OF INTEREST EXPENDED**

I	Interest on deposits	1,775.65	1,290.73	1,818.30	829.14
II	Interest on Reserve Bank of India/ inter-bank borrowings	89.40	43.54	55.57	163.16
III	Other interest	845.67	686.56	883.93	905.03
<b>Total</b>		<b>2,710.72</b>	<b>2,020.83</b>	<b>2,757.80</b>	<b>1,897.33</b>

**Annexure 20 - RESTATED STATEMENT OF OPERATING EXPENSES**

I	Payments to and provisions for employees	1,335.67	1,211.48	1,713.65	1,266.73
II	Rent, taxes and lighting	204.09	158.33	222.23	124.30
III	Printing and stationery	17.50	17.48	24.59	24.44
IV	Advertisement and publicity	9.01	34.03	45.84	24.00
V	Depreciation on Bank's property	98.56	50.00	97.84	55.94
VI	Director's fees/remuneration, allowances and expenses	7.20	3.22	4.87	3.47
VII	Auditors' fees and expenses	4.13	6.64	5.70	4.56
VIII	Law charges	10.38	15.35	24.14	18.17
IX	Postage, telegrams, telephones, etc.	12.00	18.17	25.30	23.87
X	Repairs and maintenance	351.49	163.18	226.56	170.49
XI	Insurance	48.22	34.51	47.79	24.43
XII	Other expenditure (includes professional fees)	218.10	171.33	282.70	167.03
<b>Total</b>		<b>2,316.35</b>	<b>1,883.72</b>	<b>2,721.21</b>	<b>1,907.43</b>

# **Suryoday Small Finance Bank Limited**

## **Annexure to the Restated Financial Statements**

### **Annexure 21 – Significant accounting policies appended to and forming part of the restated financial statements.**

#### **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 operates with 477 banking outlets.

The Bank is primarily engaged in extending micro credit to economically weaker women who are otherwise unable to access finance from the mainstream banking channels. The Bank broadly follows the Grameen model with suitable adaptations using the Joint Liability Groups (JLG) framework, where each member of the group guarantees the loan repayment of the other members of the group. The Bank also provides finance for mortgage loans, commercial vehicles, loans to micro, small and medium enterprises and loans to Non banking finance companies (NBFCs).

#### **2. Basis of preparation of financial statements**

The Restated Financial Information of the Bank have been prepared for inclusion in the addendum to Draft Red Herring Prospectus (DRHP) to be filed by the Bank with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Bank. The Restated Financial Information comprise of the Restated Summary Statement of Assets and Liabilities as at 31 December 2020, 31 December 2019, 31 March 2020, 31 March 2019, 31 March 2018, the Restated Summary Statements of Profit and Loss, the Restated Summary Statement of Cash Flows for the period/ years ended 31 December 2020 31 December 2019, 31 March 2020, 31 March 2019 and 31 March 2018 and Annexure 1 to 23 thereto (hereinafter collectively referred to as "the Restated Financial Information").

The Restated Financial Information have been prepared to comply in all material respects with the requirements of:

- 1) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended ("the Act"),
- 2) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("SEBI ICDR Regulations"); and
- 3) Guidance Note on Report in Company Prospectus (Revised 2019) issued by Institute of Chartered Accountants of India (referred to as 'the Guidance note')

The restated financial information 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 Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 to the extent applicable, in so far as they apply to banks and current practices prevailing within the banking industry in India..

#### **Use of estimates**

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the current and future periods.



# **Suryoday Small Finance Bank Limited**

## **Annexure to the Financial Statements for the period ended December 31, 2020**

### *Significant accounting policies (Contd.)*

#### **3. Significant accounting policies**

##### **A. Investments**

###### **Classification:**

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into “Held for Trading” (‘HFT’), “Available for Sale” (‘AFS’) and “Held to Maturity” (‘HTM’ or “Banking book”) categories (hereinafter called “categories”). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines.

Under each of these categories, investments are further classified under six groups (hereinafter called “groups”) – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

The Bank follows trade date accounting for purchase and sale of investments except for Central & State government securities where settlement date method of accounting is followed in accordance with RBI Guidelines.

###### **Basis of classification:**

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category.

Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above categories are classified under AFS category.

###### **Acquisition Cost and Broken Period Interest**

Brokerage, commission and broken period interest on debts instruments are recognised in Profit and Loss Account and are not included in the cost of acquisition.

###### **Disposal of Investments**

Profit/loss on sale of investments under the aforesaid three categories is recognised in the Profit and Loss Account. Cost of investments is based on the weighted average cost method. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is appropriated from Profit and Loss Account to “Capital Reserve” in accordance with the RBI Guidelines.

###### **Short Sale**

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked- to- market along with the other securities under HFT portfolio. The mark to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

###### **Valuation**

Investments classified under AFS and HFT categories are marked to market as per the RBI guidelines.

Traded investments are valued based on the trades / quotes on the recognised stock exchanges, price list of RBI or prices declared by Primary Dealers Association of India (‘PDAI’) jointly with Fixed Income Money Market and Derivatives Association (‘FIMMDA’)/ Financial Benchmark India Private Limited (FBIL), periodically.

The market value of unquoted government securities which qualify for determining the Statutory Liquidity Ratio (‘SLR’), included in the AFS and HFT categories, is computed as per the Yield-to-Maturity (‘YTM’) rates published by FIMMDA/FBIL.

The valuation of other unquoted fixed income securities (viz. State Government securities, other approved securities, bonds and debentures) and preference shares, is done with a mark-up (reflecting associated credit and liquidity risk) over the YTM rates for government securities published by FIMMDA/FBIL.

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.

## **Suryoday Small Finance Bank Limited**

### **Annexure to the Financial Statements for the period ended December 31, 2020**

#### *Significant accounting policies (Contd.)*

Net depreciation in the value, if any, compared to the acquisition cost, in any of the groups, is charged to the Profit and Loss Account. The net appreciation, if any, in any of the groups is not recognised except to the extent of depreciation already provided.

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a constant yield-to-maturity basis. Such amortisation of premium is adjusted against interest income under the head "Income from investments" as per the RBI guidelines.

Non-performing investments are identified, and depreciation / provision are made thereon based on the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognised in the Profit and Loss Account until received.

As per the RBI circular RBI/2017-18/147 DBR. No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, to build up adequate reserves to protect against increase in yields in future, the Bank has created an Investment Fluctuation Reserve (IFR) to the extent of the lower of following: a) net profit on sale of investments during the year; b) net profit for the year less mandatory appropriations. As per the RBI circular, this reserve will be created until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis and where feasible this should be achieved within a period of three year.

#### **Investment Reserve Account**

In accordance with the RBI Master Circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks, in case the provision on account of depreciation in the HFT and AFS categories is found to be in excess of the required amount, the excess is credited to the Profit and Loss Account and an equivalent amount net of taxes, if any, and adjusted for transfer to Statutory Reserve as applicable to such excess provision is appropriated to the Investment Reserve Account.

#### **Repo and Reverse Repo Transactions**

In accordance with the RBI guidelines, repurchase and reverse repurchase transactions in government securities including those conducted under the Liquidity Adjustment Facility ('LAF') 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

#### **B. Advances**

Advances are classified as performing and non-performing advances ('NPAs') as per the RBI guidelines on Income Recognition and Asset Classification and are stated net of specific provisions made towards NPAs and inter-bank participation with risk. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI. NPAs are identified by periodic appraisals of the loan portfolio by management.

NPA accounts are written off in accordance with RBI guidelines and Bank's Policy post approval from Board of Directors (BOD). Amounts recovered against debts written-off are recognised in the Profit and Loss account.

For restructured/rescheduled assets, provision is made in accordance with guidelines issued by RBI. The restructured accounts are classified in accordance with RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI. Provision made against standard assets is included in "Other liabilities & provisions".

Provisions made in excess of the Bank's policy for specific loan provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by the Bank up to a level approved by the BOD. In accordance with the RBI guidelines, floating provisions are used up to a level approved by the BOD and RBI only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any other regulatory guidelines as applicable. The floating provision is netted-off from advances.

## **Suryoday Small Finance Bank Limited**

### **Annexure to the Financial Statements for the period ended December 31, 2020**

#### *Significant accounting policies (Contd.)*

The Bank recognises the provision for unhedged foreign currency exposure of its borrowers as per regulatory guidelines stipulated by the RBI from time to time and as per methodology prescribed. The provisions are included in provision for standard assets and reported under other liabilities.

#### **C. Transfer and Servicing of Assets**

The Bank transfers loans through securitisation transactions. The transferred loans are de-recognised, and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract.

In accordance with the RBI guidelines for securitisation of standard assets, the profit/premium arising from sell down/securitisation to be amortised over the life of the transaction based on the method prescribed in the guidelines and the loss, if any, arises in the sell down/securitisation transaction, is recognised upfront in the Profit or Loss Account.

The Bank transfers advances through inter-bank participation with risk. In accordance with the RBI guidelines, for participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances.

#### **D. Priority Sector Lending Certificates**

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction, the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of risks or loan assets. The fee received for the sale of PSLCs is recorded as 'Miscellaneous Income' and the fee paid for purchase of the PSLCs is recorded as 'Other Expenditure' in Profit and Loss account. The Bank amortise the income over the residual quarters.

#### **E. Foreign Currency Transactions**

- (i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Foreign currency monetary items are reported using the closing rate prevailing at the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All exchange differences are recognized as income or as expenses in the period in which they arise.

#### **F. Revenue Recognition**

- (i) Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of non-performing assets is recognised upon realisation as per income recognition and asset classification norms of RBI.
- (ii) Income on non-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis.
- (iii) Loan processing fees is accounted for upfront when it becomes due.
- (iv) Interest income on deposits with banks and financial institutions is recognized on a time proportion basis taking into accounts the amount outstanding and the implicit rate of interest.
- (v) Dividend is recognised as income when the right to receive the dividend is established.
- (vi) Profit or loss on sale of mutual fund units is recognised on trade date.
- (vii) All other fees are accounted for as and when they become due.

#### **G. Fixed Assets and Depreciation**

##### **Tangible Assets**

Fixed assets are stated at cost less accumulated depreciation / amortization and impairment loss, if any. The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

## Suryoday Small Finance Bank Limited

### Annexure to the Financial Statements for the period ended December 31, 2020

#### *Significant accounting policies (Contd.)*

Depreciation is charged over the estimated useful life of the fixed asset on written down value basis from the date asset is put to use considering residual value of 5% of the cost. Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase. Assets purchased / sold during the year are depreciated on a pro-rata basis for the actual number of days the assets have been put to use. Depreciation rate used by the Bank are in line with those specified under Schedule II of the Companies Act, 2013.

The details of useful life are as under:

<b>Class of Assets</b>	<b>Estimated useful life</b>
Computers & Accessories	3 years
Office equipment	5 years
Premises	30 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.	

#### **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 such as software are amortized over a period of 36 months or license period whichever is lower on a straight-line basis with zero residual value.

#### **I. Leases**

##### **Operating Lease**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership for the leased term are classified as operating leases in accordance with Accounting Standard 19, Leases. The office premises are generally rented on cancellable terms or renewable at the option of both the parties. Computers and tablets are rented on operating lease.

#### **J. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## **Suryoday Small Finance Bank Limited**

### **Annexure to the Financial Statements for the period ended December 31, 2020**

#### *Significant accounting policies (Contd.)*

##### **K. Taxation**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Bank writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

##### **L. Earnings Per Share**

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – Earnings per share.

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted to equity during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and potential dilutive equity shares outstanding during the period except where the results are anti-dilutive.

##### **M. Provisions, contingent liabilities and contingent assets**

In accordance with AS 29, Provision, Contingent liabilities and Contingent Assets, the provision is recognised when the Bank has a present obligation as a result of past event, where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

##### **N. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

## **Suryoday Small Finance Bank Limited**

### **Annexure to the Financial Statements for the period ended December 31, 2020**

#### *Significant accounting policies (Contd.)*

##### **O. Borrowing cost**

Borrowing cost includes arranger fees, processing fees, stamp duty on issuance of debenture certificates and other associated transaction cost related to borrowing from banks and other financial institutions.

In accordance with Accounting Standard 16, borrowing costs are recognised upfront.

##### **P. Retirement and other employee benefits**

###### **(i) Defined Contribution Plans**

Retirement benefits in the form of provident fund and employee state insurance schemes are defined contribution schemes and the contributions are charged to the Profit and Loss Account for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

###### **(ii) Defined Benefit Plan**

The Bank operates a defined benefit scheme for its employees, viz., gratuity scheme. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end.

Separate actuarial valuation is carried out for each plan using the projected unit credit method. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liabilities is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff alteration as per projected unit credit method.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(iii) Provision for Leave availment is made in accordance with Accounting Standard 15 "Employee benefits".

##### **Q. Employee Stock Compensation Cost**

Employees (including senior executives) of the Bank receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, the cost of equity-settled transaction is measured using the fair value method and recognized, together with a corresponding increase in the "Employees Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Profit and Loss Account for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

##### **R. Share issue expenses**

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013 and post approval from RBI in accordance with RBI/2006-07/132 DBOD.BP.BC No. 31 / 21.04.018/ 2006-07.

##### **S. Segment information**

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

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

**1. Capital**

**1.1 Capital to Risk Weighted Assets Ratio (CRAR)**

The following table sets forth, for the year indicated, computation of capital adequacy as per operating guidelines.

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Common equity tier I Capital ratio (%)	36.94%	39.61%	34.30%	38.66%	40.25%
Tier 1 capital ratio (%)	36.94%	39.61%	34.30%	38.66%	40.25%
Tier 2 capital ratio (%)	4.23%	1.02%	1.14%	1.56%	3.15%
Total capital ratio ( CRAR) (%)	41.17%	40.63%	35.44%	40.22%	43.40%
Percentage of the shareholding of the Government of India in public sector banks	-	-	-	-	-
Amount of Additional Tier 1 capital raised of which;					
Perpetual Non Cumulative Preference Shares (PNCPS):	-	-	-	-	-
Perpetual Debt Instruments (PDI)	-	-	-	-	-

Subordinated debt (Tier 2 capital) outstanding as at December 31, 2020 is ₹ 1400 million, as at December 31, 2019 : ₹ 600 million, as at March 31, 2020 is ₹ 600 million, as at March 31, 2019 is ₹ 600 million as at March 31, 2018 is ₹ 600 million.

The Bank has applied 100% risk weight on Advances charged as security against grandfathered borrowing on the date of conversion in to a small finance bank. The Bank has applied to the RBI for approval of capital risk charge on advances secured against grandfathered borrowings.

Further as per 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.

If the Bank considers Market Risk and Operational Risk then Total capital ratio would be 30.08% for December 31, 2020, 33.13% for December 31, 2019, 29.57% March 31, 2020, 35.03% for March 31, 2019 and 37.53% for March 31, 2018.

**1.2 Capital Infusion**

Capital infusion pursuant to ESOPs:

Particulars	During the period ended December 31, 2020	During the period ended December 31, 2019	During the year ended March 31, 2020	During the year ended March 31, 2019	During the year ended March 31, 2018
Number of Equity shares allotted with face value ₹ 10 in respect of stock options exercised	2,00,788	2,29,392	5,11,649	2,83,727	3,31,982
Aggregate consideration ( including share premium)	28.97	28.50	66.72	32.76	23.44

Capital infusion pursuant to Private placement of Equity shares:

Particulars	During the period ended December 31, 2020	During the period ended December 31, 2019	During the year ended March 31, 2020	During the year ended March 31, 2019	During the year ended March 31, 2018
Pursuant to Shareholders' approval, Number of Equity shares allotted with face value ₹ 10	23,90,020	45,00,000	45,00,000	1,38,02,083	31,00,000
Aggregate consideration ( including share premium)	621.41	630.00	630.00	2,484.37	232.50

Details of movement in the paid up equity share capital are as below:

Particular	December 31, 2020		December 31, 2019		March 31, 2020		March 31, 2019		March 31, 2018	
	Equity shares	Amount	Equity shares	Amount	Equity shares	Amount	Equity shares	Amount	Equity shares	Amount
Equity shares at the beginning of the period/ year	8,65,94,131	865.94	8,15,82,482	815.82	8,15,82,482	815.82	6,74,96,672	674.97	6,40,64,690	640.65
Addition pursuant to stock options exercised	2,00,788	2.01	2,29,392	2.30	5,11,649	5.12	2,83,727	2.83	3,31,982	3.32
Addition pursuant to employee equity shares issued during the year	23,90,020	23.90	45,00,000	45.00	45,00,000	45.00	1,38,02,083	138.02	31,00,000	31.00
Equity shares outstanding at the end of the period/ year	8,91,84,939	891.85	8,63,11,874	863.12	8,65,94,131	865.94	8,15,82,482	815.82	6,74,96,672	674.97

**2. Earnings per equity share**

Particulars	December 31, 2020 <sup>#</sup>	December 31, 2019 <sup>#</sup>	March 31, 2020	March 31, 2019	March 31, 2018
Net profit after tax	548.66	1,266.78	1,111.98	903.98	114.92
Weighted average number of equity shares in computing the basic earnings per share	8,86,14,794	8,17,62,698	8,29,13,336	6,77,12,250	6,51,63,944
<b>Basic earnings per share</b>	<b>6.19</b>	<b>15.49</b>	<b>13.41</b>	<b>13.35</b>	<b>1.76</b>
Weighted average number of equity shares in computing the diluted earnings per share	9,06,77,709	8,21,23,452	8,35,98,505	6,86,86,960	6,53,02,594
<b>Diluted earnings per share</b>	<b>6.05</b>	<b>15.43</b>	<b>13.30</b>	<b>13.16</b>	<b>1.76</b>
Nominal value per Share (₹ )	10.00	10.00	10.00	10.00	10.00

# not annualised.

**2.1 Reconciliation of weighted average number of equity shares used in the computation of basic and diluted earnings per share:**

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Weighted average number of equity shares in computing the basic earnings per share	8,86,14,794	8,17,62,698	8,29,13,336	6,77,12,250	6,51,63,944
Effect of potential equity shares outstanding	20,62,915	3,60,754	6,85,169	9,74,710	1,38,650
Weighted average number of equity shares in computing the diluted earnings per share	9,06,77,709	8,21,23,452	8,35,98,505	6,86,86,960	6,53,02,594

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.



**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

**3. Drawdown of Reserves**

**3.1 Statutory Reserve**

The Bank has made an appropriation out of profits for each financial year at the end of the year to Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI circular DBOD.No.BP.BC.24/21.04.018/ 2000-2001 dated September 23, 2000.

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Transfer to Statutory Reserves	N.A	N.A	277.34	216.49	25.32

**3.2 Investment Reserve**

The Bank has appropriated Profit and Loss Account (net of tax and statutory reserve) at the end of the year to Investment Reserve as per RBI guidelines.

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Transfer to Investment Reserves	N.A	N.A	Nil	Nil	0.55

**3.3 Investment Fluctuation Reserve**

The Bank has appropriated from Profit and Loss Account (net of taxes) at the end of the year to Investment Fluctuation Reserve as per RBI

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Transfer to Investment Fluctuation Reserves	N.A	N.A	71.04	19.41	Nil

**3.4 Capital Reserve**

The Bank has appropriated from profit and loss account (net of taxes and statutory reserves) and transferred to capital reserves being the profit from sale of investments under HTM category as per RBI guidelines.

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Transfer to Capital Reserves	N.A	N.A	1.53	0.40	Nil

**3.5 Share Premium**

Share issue expenses are adjusted from Share Premium Account are in accordance with RBI circular RBI/2006-07/132 DBOD.BP.BC No. 31 / 21.04.018/ 2006-07 and Section 52 of the Companies Act, 2013

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Expenses related to issue of equity shares	4.38	Nil	Nil	27.87	0.35

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

**4. Employees Stock Option Scheme**

The Bank has share- based payment schemes for it's employees. Schemes in operation for last 3 years are Employee Stock Option Scheme 2014, Employee Stock Option Scheme 2016 and Employee Stock Option Scheme 2019. The Bank has issued Nil; 18,72,100; 20,67,100; 1,131,000; 856,950 options under the Employee Stock Option Scheme for the financial period/ year December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019 and March 31, 2018 respectively

**The details of the Employee Stock Option Scheme are as under:**

Particulars	Employee stock option scheme 2014	Employee stock option scheme 2016					Employee stock sption Scheme 2019	
Grant Date	June 26, 2014	January 19, 2017	July 27, 2017	March 1, 2018	July 16, 2018	February 5, 2019	November 6, 2019	January 10, 2020
Number of Options granted	5,21,500	15,10,000	5,50,000	3,06,950	4,07,000	7,24,000	18,72,100	1,95,000
Method of Settlement	Equity	Equity					Equity	
Vesting	40% after one year from the date of grant i.e. July 1, 2015	25% after one year from the date of grant and every year thereafter.					25% after one year from the date of grant and every year thereafter.	
	30% after two years from the date of grant i.e. July 1, 2016							
	balance 30% after three years from the date of grant i.e. July 1, 2017							
Exercisable period	3 years from the Vesting date	3 years from the Vesting date						
Vesting Conditions	No vesting conditions has been prescribed	From second vesting tranche onwards, based on performance rating of the employee						
Exercise Price Per Option (Rs)	₹ 36	₹ 108	₹ 125	₹ 127	₹ 140	₹ 173	₹ 196	₹ 196

**Following are the outstanding options as at period/ year end:**

Particulars	Employee stock option scheme 2014					Employee stock option scheme 2016					Employee stock option scheme 2019				
	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Total Options granted and outstanding at the beginning of the period/ year	-	-	-	1,200	1,75,950	14,27,891	23,01,972	23,01,972	18,04,158	15,10,000	20,67,100	-	-	-	-
Add: Options granted during the period/ year	-	-	-	-	-	-	-	-	11,31,000	8,56,950	-	18,72,100	20,67,100	-	-
Less: Options forfeited / lapsed during the period/ year	-	-	-	-	(2,400)	(1,56,532)	(2,88,491)	(3,62,432)	(3,50,659)	(4,03,160)	(2,30,250)	-	-	-	-
Less : Options exercised during the period/ year	-	-	-	(1,200)	(1,72,350)	(1,52,563)	(2,29,392)	(5,11,649)	(2,82,527)	(1,59,632)	(48,225)	-	-	-	-
Options Outstanding as at end of the period/ year	-	-	-	-	1,200	11,18,796	17,84,089	14,27,891	23,01,972	18,04,158	17,88,625	18,72,100	20,67,100	-	-
- Vested	-	-	-	-	1,200	2,54,619	2,27,111	2,87,628	2,76,307	1,45,704	3,83,175	-	-	-	-
- Yet to Vest	-	-	-	-	-	8,64,177	15,56,978	11,40,263	20,25,665	16,58,454	14,05,450	18,72,100	20,67,100	-	-

The value of options have been estimated on the date of the grant using Black-Scholes model.

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**Annexure 22 - Notes forming part of the Restated Summary Statements**

*(All amounts are in Indian Rupees in million unless otherwise stated)*

The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant are:

	Employee stock option scheme 2014		
Variables	Tranche 1	Tranche 2	Tranche 3
1.Risk Free Interest Rate	8.65%	8.65%	8.65%
2.Expected Life (in years)	2.56	3.56	4.56
3.Expected Volatility	38.00%	39.00%	37.00%
4.Dividend Yield	0.00%	0.00%	0.00%
5.Fair value of the option on the grant date (₹)	18.99	21.91	23.80

	Employee stock option scheme 2016 - Grant 1			
Variables	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

	Employee stock option scheme 2016 - Grant 2			
Variables	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

	Employee stock option scheme 2016 - Grant 3			
Variables	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

	Employee stock option scheme 2016 - Grant 4			
Variables	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

	Employee stock option scheme 2016 - Grant 5			
Variables	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

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**Annexure 22 - Notes forming part of the Restated Summary Statements**

(All amounts are in Indian Rupees in million unless otherwise stated)

	Employee stock option scheme 2019 - Grant 1			
Variables	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

	Employee stock option scheme 2019 - Grant 2			
Variables	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

**Effect of the share based payment plans on the Profit and Loss Account and on its financial position:**

Particulars	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Employee stock option expenditure ( included in Annexure 20 (I) )	50.02	24.19	49.93	25.56	35.05
<b>Particulars</b>	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Employee stock options outstanding account ( included in Annexure 6 (V) )	109.43	61.92	71.02	46.30	34.09

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.

## 5. Investments

### 5.1 Particulars of Investments and movement in provision held towards depreciation on Investments

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
<b>1) Value of Investments</b>					
i) Gross value of investments					
- In India	15,114.56	8,943.62	8,081.98	6,643.93	3,113.43
- Outside India	-	-	-	-	-
ii) Provisions for depreciation on investments					
- in India	0.15	15.36	-	-	-
- Outside India	-	-	-	-	-
iii) Net value of investments					
- In India	15,114.41	8,928.27	8,081.98	6,643.93	3,113.43
- Outside India	-	-	-	-	-
<b>2) Movement of provisions held towards depreciation on investments:</b>					
i) Opening balance	-	-	-	-	1.12
ii) Add: Provision made during the period/ year	87.09	15.36	15.40	7.87	0.44
iii) Less: Write back of excess provision during the period/ year	(86.94)	-	(15.40)	(7.87)	(1.56)
iv) Closing balance	0.15	15.36	-	-	-

The net book value of investments held under three categories, viz. Held to Maturity (HTM), Held for Trading (HFT) and Available for Sale (AFS) is as under :

Category	As at December 31, 2020		As at December 31, 2019		As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
	₹ in million	%	₹ in million	%	₹ in million	%	₹ in million	%	₹ in million	%
Held to Maturity	5,311.90	35.14%	3,984.09	44.62%	4,080.81	50.49%	2,651.16	39.90%	2,369.41	76.10%
Available for Sale	9,802.51	64.86%	4,841.01	54.22%	4,001.17	49.51%	3,992.77	60.10%	744.02	23.90%
Held for Trading	-	-	103.16	1.16%	-	-	-	-	-	-
Total	15,114.41	100%	8,928.26	100%	8,081.98	100%	6,643.93	100%	3,113.43	100%

### 5.2 Repo/ Reverse Repo Transactions

The Details relating to repo/reverse repo transactions (in face value terms) during the period/ year ended December 31, 2020 are as follows:

	Minimum outstanding	Maximum outstanding	Daily average outstanding	As at 31 December 2020	
				Outstanding	
<b>Securities sold under repo</b>	50.00	4,058.03	1,288.72	2,244.79	
Government Securities	50.00	4,058.03	1,288.72	2,244.79	
Corporate Debt Securities	-	-	-	-	
<b>Securities purchased under reverse repo</b>	3,680.00	10,580.00	6,886.42	7,180.00	
Government Securities	3,680.00	10,580.00	6,886.42	7,180.00	
Corporate Debt Securities	-	-	-	-	

The Details relating to repo/reverse repo transactions (in face value terms) during the period/ year ended December 31, 2019 are as follows:

	Minimum outstanding	Maximum outstanding	Daily average outstanding	As at 31 December 2019	
				Outstanding	
<b>Securities sold under repo</b>	49.99	1,763.15	626.19	966.28	
Government Securities	49.99	1,763.15	626.19	966.28	
Corporate Debt Securities	-	-	-	-	
<b>Securities purchased under reverse repo</b>	30.00	1,400.00	566.76	30.00	
Government Securities	30.00	1,400.00	566.76	30.00	
Corporate Debt Securities	-	-	-	-	

The Details relating to repo/reverse repo transactions (in face value terms) during the year ended March 31, 2020 are as follows:

	Minimum outstanding	Maximum outstanding	Daily average outstanding	As at 31 March 2020	
				Outstanding	
<b>Securities sold under repo</b>	49.99	1,767.19	643.01	1,305.56	
Government Securities	49.99	1,767.19	643.01	1,305.56	
Corporate Debt Securities	-	-	-	-	
<b>Securities purchased under reverse repo</b>	30.00	6,290.00	748.01	6,290.00	
Government Securities	30.00	6,290.00	748.01	6,290.00	
Corporate Debt Securities	-	-	-	-	

The Details relating to repo/reverse repo transactions (in face value terms) during the year ended March 31, 2019 are as follows:

	Minimum outstanding	Maximum outstanding	Daily average outstanding	As at 31 March 2019	
				Outstanding	
<b>Securities sold under repo</b>	42.52	500.00	233.14	-	
Government Securities	42.52	500.00	233.14	-	
Corporate Debt Securities	-	-	-	-	
<b>Securities purchased under reverse repo</b>	18.71	1,087.56	202.41	494.46	
Government Securities	18.71	1,087.56	202.41	494.46	
Corporate Debt Securities	-	-	-	-	

The Details relating to repo/reverse repo transactions (in face value terms) during the year ended March 31, 2018 are as follows :

	Minimum outstanding	Maximum outstanding	Daily average outstanding	As at 31 March 2018	
				Outstanding	
<b>Securities sold under repo</b>	108.30	208.56	191.73	208.56	
Government Securities	108.30	208.56	191.73	208.56	
Corporate Debt Securities	-	-	-	-	
<b>Securities purchased under reverse repo</b>	18.90	814.79	186.68	814.79	
Government Securities	18.90	814.79	186.68	814.79	
Corporate Debt Securities	-	-	-	-	

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*(All amounts are in Indian Rupees in million unless otherwise stated)*

**5.3 Sale and Transfer to /from HTM Category**

During the period/years ended December 31, 2020; December 31, 2019; March 31, 2020, March 31, 2019 and March 31, 2018, the Bank has not sold and transferred securities to or from HTM category exceeding 5% of the book value of investment held in HTM category at the beginning of the year. The 5% threshold referred to above does not include

- one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per the extant RBI guidelines,
- sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and
- sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

RBI circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018 granted banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT. The circular stated that the provisioning requirement for quarter ending June 30, 2018 may be spread equally over up to four quarters, commencing with the quarter ending June 30, 2018. The Bank has not availed the said option.

**5.4 Issuer-wise composition of non-SLR investments**

**Balance as at December 31, 2020**

Issuer	Amount	Extent of private placement#	Extent of "below investment grade" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#*
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporate	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others	63.20	7.70	-	7.70	7.70
7.Provision held towards depreciation	(0.15)	(0.15)	-	(0.15)	(0.15)
<b>Total</b>	<b>63.05</b>	<b>7.55</b>	<b>-</b>	<b>7.55</b>	<b>7.55</b>

**Balance as at December 31, 2019**

Issuer	Amount	Extent of private placement#	Extent of "below investment grade" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#*
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	988.49	-	-	-	-
4.Private corporate	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others	-	-	-	-	-
7.Provision held towards depreciation	-	-	-	-	-
<b>Total</b>	<b>988.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Balance as at March 31, 2020**

Issuer	Amount	Extent of private placement#	Extent of "below investment grade" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#*
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	1,229.99	-	-	-	-
4.Private corporate	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others	-	-	-	-	-
7.Provision held towards depreciation	-	-	-	-	-
<b>Total</b>	<b>1,229.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Balance as at March 31, 2019**

Issuer	Amount	Extent of private placement#	Extent of "below investment grade" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#*
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	1,484.43	-	-	-	-
4.Private corporate	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others	500.00	-	-	-	-
7.Provision held towards depreciation	-	-	-	-	-
<b>Total</b>	<b>1,984.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Balance as at March 31, 2018**

Issuer	Amount	Extent of private placement#	Extent of "below investment grade" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#*
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	245.29	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporate	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others	-	-	-	-	-
7.Provision held towards depreciation	-	-	-	-	-
<b>Total</b>	<b>245.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Amounts reported under these columns above are not mutually exclusive

\* Excludes investments in commercial paper and certificate of deposits

**5.5 Non performing Non-SLR investments**

As at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018, there are no non performing Non - SLR investments.

**5.6 Details of investment in Security Receipt (SRs)**

As at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018, there are no investment in SRs.

**6.Derivatives**

During the period/ year ended December 31, 2020, December 31, 2019, March 31, 2020; March 31, 2019; and March 31, 2018 the Bank has not undertaken any derivative transaction. Hence, disclosure related to Forward Rate Agreement / Interest Rate Swap/ Credit default Swap and Exchange Traded Interest Rate Derivatives are not provided.

## 7. Asset quality

### 7.1 Non Performing Assets (NPAs)

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets (NPAs), net NPAs and provisions.

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i) Net NPAs to Net Advances (%)	0.33%	0.52%	0.57%	0.44%	1.86%
(ii) Movement of NPAs (Gross)					
Gross NPA's as on April 1 of particular period/ year	1,012.50	496.21	496.21	565.69	512.50
Additions (fresh NPAs) during the period/ year	0.50	823.44	1,042.95	330.81	517.95
Sub Total (A)	1,013.00	1,319.65	1,539.16	896.50	1,030.45
Less :-					
- Upgradation	56.00	21.89	6.07	1.25	0.75
- Recoveries (excluding Recoveries made from upgraded accounts)	31.47	22.42	41.73	63.42	36.08
- Technical / Prudential Write offs	626.38	160.82	319.93	-	-
- write offs other than mentioned above	0.02	158.94	158.93	335.62	427.93
Sub Total (B)	713.87	364.07	526.66	400.29	464.76
Gross NPAs (A-B)	299.13	955.58	1,012.50	496.21	565.69
(iii) Movement of Net NPAs					
(a) Opening balance	203.74	120.06	120.06	292.27	311.41
(b) Additions during the period/ year	(12.79)	84.00	340.59	80.19	324.23
(c) Reductions during the period/ year	62.81	27.87	256.91	252.40	343.37
(d) Closing balance	128.14	176.19	203.74	120.06	292.27
(iv) Movement of provisions for NPAs (excluding provision on standard assets)					
(a) Opening balance	808.76	376.15	376.15	273.42	201.09
(b) Provision made during the period/ year*	13.29	739.44	702.36	250.62	193.72
(c) Write off/ write back of excess provision **	651.06	336.20	269.75	147.89	121.39
(d) Closing balance	170.99	779.39	808.76	376.15	273.42

\* Include floating provision as at year end to the extent utilised

\*\* Provision made on written off account for the year have been netted off.

\*\*\* Refer note below for classification of NPA during the period ended December 31, 2020. Additions during the period is adjusted for provision made against GNPA as at March 31, 2020. The Honourable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("Interim Order"), has directed banks that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Pending the finality, the Bank has not classified any account which was not NPA as of August 31, 2020 as per the RBI IRAC norms, as NPA after August 31, 2020. Further, in light of the Interim Order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time that the Hon'ble SC rules finally on the matter.

However, if the Bank had classified borrower accounts as NPA after August 31, 2020, the Bank's proforma Gross NPA ratio and proforma Net NPA ratio would have been 9.28% at December 31, 2020 (at September 30, 2020: 2.58%) and 5.38% at December 31, 2020 (at September 30, 2020: 0.42%) respectively. Pending disposal of the case, the Bank, as a matter of prudence has, in respect of these accounts made a contingent provision, which is included in Provisions and Contingencies".

### 7.2 Technical or prudential write-offs

Technical or prudential write-offs refer to the amount of non-performing assets which are outstanding in the books of the branches, but have been written-off at the head office level. The financial accounting systems of the Bank are integrated and there are no write-offs done by the Bank which remain outstanding in the books of the branches.

The following table sets forth, for the periods indicated, the details of movement in technical/ prudential write-off.

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Opening balance	316.57	-	-	-	-
Add : Technical / Prudential write offs during the period/ year	626.38	160.82	319.93	-	-
Sub total (A)	942.95	160.82	319.93	-	-
Less : Recoveries made from previously technical / prudential written off accounts during the period/ year (B)	11.99	-	3.36	-	-
Closing balance as at period/ year end (A-B)	930.96	160.82	316.57	-	-

### 7.3 Details of Non Performing Financial Assets Purchased / Sold

The Bank has not purchased or sold any non performing financial assets during the year ended December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018.

### 7.4 Floating provision

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Opening balance	532.18	323.15	323.15	62.58	62.58
Provision made during the period/ year	5.55	52.90	209.03	260.57	-
Drawdown made during the period/ year	-	-	-	-	-
Closing balance	537.73	376.05	532.18	323.15	62.58

Floating provision has been netted off from Gross NPA to arrive at Net NPA and has not been considered as Tier 2 capital for all reporting periods following the RBI circular "Prudential norms on creation and utilisation of floating provisions" dated June 22, 2006.

**7.5 - Disclosure of Restructured Assets**

The Bank has restructured the following accounts during the year ended December 31, 2020.

Sr.no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Assets Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	156	7	46	-	209	156	7	46	-	209
		Amount outstanding	-	-	-	-	-	1.77	0.35	-	-	-	1.77	0.13	0.35	-	2.25	1.77	0.13	0.35	-	2.25
		Provision there-on	-	-	-	-	-	-	-	-	-	-	0.09	0.03	0.36	-	0.48	0.09	0.03	0.36	-	0.48
2	Fresh restructuring during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	12	-	12	-	-	12	-	12
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	16.67	-	16.67	-	-	16.67	-	16.67
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	9.65	-	9.65	-	-	9.65	-	9.65
3	Upgradations to restructured standard category during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Increase/(decrease) in borrower level outstanding of existing restructured cases during the period.	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.45)	(0.00)	(0.06)	-	(0.51)	(0.45)	(0.00)	(0.06)	-	(0.51)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	0.08	0.06	(0.06)	-	0.08	0.08	0.06	(0.06)	-	0.08
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the period and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(9)	(4)	13	-	-	(9)	(4)	13	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.13)	(0.08)	0.21	-	-	(0.13)	(0.08)	0.21	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.13)	(0.08)	0.21	-	-	(0.13)	(0.08)	0.21	-	-
7	Write-offs/ Recovery of restructured accounts during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(35)	-	(9)	-	(44)	(35)	-	(9)	-	(44)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.21)	-	(0.03)	-	(0.24)	(0.21)	-	(0.03)	-	(0.24)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.01)	-	(0.03)	-	(0.04)	(0.01)	-	(0.03)	-	(0.04)
8	Restructured Accounts as on December 31 of the period (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	112	3	62	-	177	112	3	62	-	177
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.98	0.05	17.14	-	18.17	0.98	0.05	17.14	-	18.17
		Provision there-on	-	-	-	-	-	-	-	-	-	-	0.03	0.01	10.13	-	10.17	0.03	0.01	10.13	-	10.17

The Bank has restructured the following accounts during the year ended December 31, 2019.

Sl.no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Assets Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	174	1	62	-	237	174	1	62	-	237
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3.42	0.00	0.33	-	3.75	3.42	0.00	0.33	-	3.75
		Provision there-on	-	-	-	-	-	-	-	-	-	-	0.34	0.00	0.33	-	0.67	0.34	0.00	0.33	-	0.67
2	Fresh restructuring during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	54	3	51	-	108	54	3	51	-	108
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1.33	0.04	0.65	-	2.02	1.33	0.04	0.65	-	2.02
		Provision there-on	-	-	-	-	-	-	-	-	-	-	0.29	0.02	0.65	-	0.96	0.29	0.02	0.65	-	0.96
3	Upgradations to restructured standard category during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Increase/(decrease) in borrower level outstanding of existing restructured cases during the period.	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(1.70)	-	(0.21)	-	(1.91)	(1.70)	-	(0.21)	-	(1.91)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.07)	-	(0.21)	-	(0.28)	(0.07)	-	(0.21)	-	(0.28)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the period and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(47)	4	43	-	-	(47)	4	43	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.62)	0.09	0.53	-	-	(0.62)	0.09	0.53	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.55)	0.02	0.53	-	-	(0.55)	0.02	0.53	-	-
7	Write-offs/ Recovery of restructured accounts during the period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(32)	(4)	(68)	-	(104)	(32)	(4)	(68)	-	(104)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.34)	(0.04)	(0.50)	-	(0.88)	(0.34)	(0.04)	(0.50)	-	(0.88)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.02)	(0.02)	(0.50)	-	(0.54)	(0.02)	(0.02)	(0.50)	-	(0.54)
8	Restructured Accounts as on December 31 of the period (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	149	4	88	-	241	149	4	88	-	241
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	2.09	0.09	0.80	-	2.98	2.09	0.09	0.80	-	2.98
		Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.01)	0.02	0.80	-	0.81	(0.01)	0.02	0.80	-	0.81



The Bank has restructured the following accounts during the year ended March 31, 2020.

Sr.no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
	Assets Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
	Details																						
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	174	1	62	-	237	174	1	62	-	237	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	3.42	(0.00)	0.33	-	3.75	3.42	(0.00)	0.33	-	3.75
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	0.34	(0.00)	0.33	-	0.67	0.34	(0.00)	0.33	-	0.67
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	54	3	51	-	108	54	3	51	-	108	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	1.33	0.04	0.66	-	2.03	1.33	0.04	0.66	-	2.03
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	0.08	0.02	0.66	-	0.76	0.08	0.02	0.66	-	0.76
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year.	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(2.14)	-	(0.19)	-	(2.33)	(2.14)	-	(0.19)	-	(2.33)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	(0.08)	-	(0.19)	-	(0.27)	(0.08)	-	(0.19)	-	(0.27)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(26)	7	19	-	-	(26)	7	19	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.29)	0.13	0.16	-	0.00	(0.29)	0.13	0.16	-	0.00
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	(0.20)	0.04	0.16	-	-	(0.20)	0.04	0.16	-	-
7	Write-offs/ Recovery of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(46)	(4)	(86)	-	(136)	(46)	(4)	(86)	-	(136)	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.55)	(0.04)	(0.60)	-	(1.19)	(0.55)	(0.04)	(0.60)	-	(1.19)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.02)	(0.60)	-	(0.67)	(0.05)	(0.02)	(0.60)	-	(0.67)
8	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	156	7	46	-	209	156	7	46	-	209	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	1.77	0.13	0.36	-	2.26	1.77	0.13	0.36	-	2.26
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	0.09	0.04	0.36	-	0.49	0.09	0.04	0.36	-	0.49

The Bank has restructured the following accounts during the year ended March 31, 2019.

Sl.no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
	Assets Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total		
	Details																							
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	15	10	-	-	25	15	10	-	-	25		
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	0.20	0.02	-	-	0.22	0.20	0.02	-	-	0.22	
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	0.02	0.01	0.01	-	-	0.02	
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	174	11	49	-	234	174	11	49	-	-	234	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	3.94	0.05	0.27	-	4.26	3.94	0.05	0.27	-	-	4.26
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	0.17	0.01	0.27	-	0.45	0.17	0.01	0.27	-	-	0.45
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year.	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.52)	-	-	-	(0.52)	(0.52)	-	-	-	-	(0.52)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	0.17	-	-	-	0.17	0.17	-	-	-	-	0.17
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1)	(12)	13	-	-	(1)	(12)	13	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.01)	(0.05)	0.06	-	(0.00)	(0.01)	(0.05)	0.06	-	-	(0.00)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	(0.01)	0.06	-	0.05	-	(0.01)	0.06	-	-	0.05
7	Write-offs/ Recovery of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(14)	(8)	-	-	(22)	(14)	(8)	-	-	-	(22)	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	(0.19)	(0.02)	-	-	(0.21)	(0.19)	(0.02)	-	-	-	(0.21)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	(0.01)	(0.01)	-	-	(0.02)	(0.01)	(0.01)	-	-	-	(0.02)
8	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	174	1	62	-	237	174	1	62	-	-	237	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	3.42	(0.00)	0.33	-	3.75	3.42	(0.00)	0.33	-	-	3.75
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	0.34	(0.00)	0.33	-	0.67	0.34	(0.00)	0.33	-	-	0.67

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

The Bank has restructured the following accounts during the year ended March 31, 2018.

Sl.no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Assets Classification	Details	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	19	11	-	-	30	19	11	-	-	30
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.22	0.07	-	-	0.29	0.22	0.07	-	-	0.29
		Provision there-on	-	-	-	-	-	-	-	-	-	-	0.01	0.02	-	-	0.03	0.01	0.02	-	-	0.03
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Down gradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1)	1	-	-	-	(1)	1	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision there-on	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Write-offs/ Recovery of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(3)	(2)	-	-	(5)	(3)	(2)	-	-	(5)
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(0.02)	(0.05)	-	-	(0.07)	(0.02)	(0.05)	-	-	(0.07)
		Provision there-on	-	-	-	-	-	-	-	-	-	-	(0.00)	(0.01)	-	-	(0.01)	(0.00)	(0.01)	-	-	(0.01)
8	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	15	10	-	-	25	15	10	-	-	25
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	0.20	0.02	-	-	0.22	0.20	0.02	-	-	0.22
		Provision there-on	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	0.02	0.01	0.01	-	-	0.02

\* Write-off of restructured accounts includes recoveries in existing balances.

#### 7.6 Divergence in the 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:

- (a) the additional provisioning for NPAs assessed by the RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and/or
- (b) the additional Gross NPAs identified by the RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

There has been no divergence observed by RBI for the financial year 2018-19 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.

#### 7.7 Credit default swaps

The Bank has not transacted in credit default swaps during the period ended December 31, 2020; December 31, 2019 and years ended March 31, 2020; March 31, 2019 and March 31, 2018.

#### 7.8 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 December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019 and March 31, 2018.

#### 7.9 Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advance

The Bank has not restructured any account as per the RBI Circular DBR.No.BP.BC.100/21.04.048/2017-18 dated February 07, 2018 and DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 and RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 as on December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019 and March 31, 2018.

#### 7.10 Details of factoring exposure

The factoring exposure of the Bank is NIL as at December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019 and March 31, 2018.

### 8. Securitisation and related disclosures

#### 8.1 Details of Sales

The Bank has securitised certain standard assets in accordance with the guidelines issued by the RBI.

Particular	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
(i) No. of accounts sold during the period/ year	-	-	-	68,201	-
(ii) Aggregate value of accounts sold during the period/ year	-	-	-	1,035.63	-
(iii) Aggregate Consideration received during the period/ year	-	-	-	921.67	-
(iv) Additional Consideration realised in respect of account transferred in earlier period/ years	-	-	-	-	-
(v) Aggregate gain over net book value during the period/ year	-	-	-	106.81	-
(vi) MRR	-	-	-	113.96	-
(vii) First Loss	-	-	-	165.96	-
(viii) Others	-	-	-	-	-
(ix) Outstanding Balance	-	-	-	528.35	-
(x) No. of SPV transaction for securitisation transaction	-	-	-	2	-

#### 8.2 Details of Direct assignment transactions

Particular	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
(i) No. of accounts	-	-	-	1,26,182	-
(ii) Aggregate value of accounts sold to SC	-	-	-	1,237.32	-
(iii) Aggregate Consideration	-	-	-	1,113.59	-
(iv) Aggregate gain over net book value	-	-	-	65.11	-

#### 8.3 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 December 31, 2020 is ₹ 500.00 million, as on December 31, 2019 ₹ 1354.00 million, March 31, 2020 is ₹ 694.00 million, as on March 31, 2019 is ₹ 1030.00 million and as on 31 March 2018 is ₹ 950.00 million

#### 9.1 Exposure to Real Estate Sector

Category	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
A) Direct exposure	2,678.07	1,808.92	2,032.83	1,069.55	455.92
(i) Residential mortgages	2,581.16	1,708.46	1,938.55	985.04	455.92
(of which housing loans eligible for inclusion in priority sector advances)	2,108.60	1,355.69	1,566.58	773.06	438.89
(ii) Commercial real estate	96.91	100.46	94.28	84.51	-
(ii) Investments in mortgage backed securities (MBS) and other securitised	-	-	-	-	-
a) Residential	-	-	-	-	-
b) Commercial real estate	-	-	-	-	-
B) Indirect exposure	55.88	91.18	82.35	-	-
Fund based and non-fund based exposures on National Housing Bank and housing finance Company (HFCs).	55.88	91.18	82.35	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>2,733.95</b>	<b>1,900.10</b>	<b>2,115.18</b>	<b>1,069.55</b>	<b>455.92</b>

## 9.2 Capital Market Exposure

As at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 the Bank does not have any Capital Market Exposure.

## 9.3 Risk Category wise Country Exposure

The Bank's exposures are concentrated in India, hence country risk exposure as at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 is Nil.

## 9.4 Intra Group Exposure

The Bank does not have any group entities, hence intra group exposure as at December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018 is Nil.

## 9.5 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 annexure 13 of the Balance Sheet in line with extant RBI guidelines. There are no such advances given during the year and outstanding as at December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019 and as at March 31, 2018.

## 9.6 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank

During the period/ year ended December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019 and year ended March 31, 2018, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed under extant RBI guidelines.

## 10. Concentration of Deposits, Advances, Exposure and NPA's

### 10.1 Concentration of deposits

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Total deposits of twenty largest depositors	9,977.14	9,872.09	11,045.51	7,119.74	4,434.05
Percentage of deposits of twenty largest depositors to total deposits of the Bank	29.84%	39.63%	38.77%	44.68%	59.16%

### 10.2 Concentration of advances

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Total advances to twenty largest borrowers	2,735.60	2,698.74	2,548.82	1,398.31	289.97
Percentage of advances of twenty largest borrowers to total advances of the Bank	7.10%	7.84%	7.03%	5.09%	1.81%

\*Advances are computed as per the definition of Credit Exposure as prescribed in Master Circular on Exposure Norms DBR.No. Dir. BC.12/13.03.00/2015-16 dated July 1, 2015.

### 10.3 Concentration of exposure

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Total exposure to twenty largest borrowers / customers*	2,719.91	2,926.60	3,143.97	2,708.38	459.39
Percentage of exposure of twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	7.11%	8.47%	8.50%	9.22%	2.84%

\*Exposures are computed as per the definition of Credit Exposure as prescribed in Master Circular on Exposure Norms DBR.No. Dir. BC.12/13.03.00/2015-16 dated July 1, 2015.

### 10.4 Concentration of NPAs

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Total gross exposure to top four NPA accounts	42.86	50.37	49.38	25.92	1.71

## 11. Sector-wise advances

Particulars	December 31, 2020		
	Outstanding total gross advances (I)	Gross NPAs (II)	Percentage of gross NPAs to Total advances in that sector (II/I)
<b>A . Priority Sector *</b>			
1. Agriculture and allied activities	2,913.24	0.33	0.01%
2. Advances to industries sector eligible as priority sector lending	49.07	5.07	10.33%
3. Services	7,479.40	97.75	1.31%
-Transport Operators	467.69	81.49	17.42%
4. Personal loans	1,010.47	7.11	0.70%
<b>Sub total ( A )</b>	<b>11,452.18</b>	<b>110.26</b>	<b>0.96%</b>
<b>B. Non Priority Sector</b>			
1. Agriculture and allied activities	11,189.99	3.53	0.03%
2. Industry	249.83	3.38	1.35%
3. Services	12,872.02	168.21	1.31%
-Transport Operators	3,300.43	73.81	2.24%
4. Personal Loans	2,767.02	13.75	0.50%
<b>Sub total ( B )</b>	<b>27,078.86</b>	<b>188.87</b>	<b>0.70%</b>
<b>Total (A+B)</b>	<b>38,531.04</b>	<b>299.13</b>	<b>0.78%</b>

Particulars	December 31, 2019		
	Outstanding total gross advances (I)	Gross NPAs ( II )	Percentage of gross NPAs to Total advances in that sector (II/I)
<b>A . Priority Sector *</b>			
1. Agriculture and allied activities	1,823.98	45.11	2.47%
2. Advances to industries sector eligible as priority sector lending	108.13	11.13	10.29%
3. Services	4,364.56	198.38	4.55%
-Transport Operators	1,131.05	94.53	8.36%
4. Personal loans	1,355.69	65.07	4.80%
<b>Sub total ( A )</b>	<b>7,652.36</b>	<b>319.69</b>	<b>4.18%</b>
<b>B. Non Priority Sector</b>			
1. Agriculture and allied activities	11,419.59	242.53	2.12%
2. Industry	44.94	4.20	9.35%
3. Services	13,945.25	374.93	2.69%
-Transport Operators	2,343.36	758.18	32.35%
4. Personal Loans	1,352.32	14.22	1.05%
<b>Sub total ( B )</b>	<b>26,762.10</b>	<b>635.88</b>	<b>2.38%</b>
<b>Total (A+B)</b>	<b>34,414.46</b>	<b>955.57</b>	<b>2.78%</b>

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

Particulars	March 31, 2020		
	Outstanding total gross advances (I)	Gross NPAs (II)	Percentage of gross NPAs to Total advances in that sector (II/I)
<b>A . Priority Sector *</b>			
1. Agriculture and allied activities	1,375.54	29.75	2.16%
2. Advances to industries sector eligible as priority sector lending	84.43	7.78	9.21%
3. Services	4,987.86	227.66	4.56%
-Transport Operators	1,059.55	97.89	9.24%
4. Personal loans	569.26	23.95	4.21%
<b>Sub total ( A )</b>	<b>7,017.09</b>	<b>289.14</b>	<b>4.12%</b>
<b>B. Non Priority Sector</b>			
1. Agriculture and allied activities	12,729.39	273.55	2.15%
2. Industry	35.37	1.34	3.79%
3. Services	14,279.33	391.24	2.74%
-Transport Operators	2,642.32	76.49	2.89%
4. Personal Loans	2,202.74	57.23	2.60%
<b>Sub total ( B )</b>	<b>29,246.83</b>	<b>723.36</b>	<b>2.47%</b>
<b>Total (A+B)</b>	<b>36,263.92</b>	<b>1,012.50</b>	<b>2.79%</b>

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

Particulars	March 31, 2019		
	Outstanding total gross advances (I)	Gross NPAs (II)	Percentage of gross NPAs to Total advances in that sector (II/I)
<b>A . Priority Sector *</b>			
1. Agriculture and allied activities	1,326.93	6.44	0.49%
2. Advances to industries sector eligible as priority sector lending	22.99	1.99	8.66%
3. Services	1,646.09	42.74	2.60%
-Transport Operators	92.96	0.44	0.47%
4. Personal loans	792.96	46.91	5.92%
<b>Sub total ( A )</b>	<b>3,788.97</b>	<b>98.08</b>	<b>2.59%</b>
<b>B. Non Priority Sector</b>			
1. Agriculture and allied activities	9,209.36	46.77	0.51%
2. Industry	179.59	13.99	7.79%
3. Services	13,767.00	331.10	2.41%
-Transport Operators	2,091.78	20.32	0.97%
4. Personal Loans	461.37	6.27	1.36%
<b>Sub total ( B )</b>	<b>23,617.32</b>	<b>398.13</b>	<b>1.69%</b>
<b>Total (A+B)</b>	<b>27,406.29</b>	<b>496.21</b>	<b>1.81%</b>

Particulars	March 31, 2018		
	Outstanding total gross advances (I)	Gross NPAs (II)	Percentage of gross NPAs to Total advances in that sector (II/I)
<b>A . Priority Sector *</b>			
1. Agriculture and allied activities	1,034.72	12.62	1.22%
2. Advances to industries sector eligible as priority sector lending	5.28	0.16	3.07%
3. Services	685.17	29.90	4.36%
-Transport Operators	-	-	-
4. Personal loans	456.54	0.93	0.20%
<b>Sub total ( A )</b>	<b>2,181.71</b>	<b>43.61</b>	<b>2.00%</b>
<b>B. Non Priority Sector</b>			
1. Agriculture and allied activities	5,060.83	83.20	1.64%
2. Industry	60.85	1.87	3.07%
3. Services	8,326.68	435.98	5.24%
-Transport Operators	-	-	-
4. Personal Loans	330.12	1.03	0.31%
<b>Sub total ( B )</b>	<b>13,778.48</b>	<b>522.08</b>	<b>3.79%</b>
<b>Total (A+B)</b>	<b>15,960.19</b>	<b>565.69</b>	<b>3.54%</b>

\* PSLCs sold during the year has been classified as non-priority sector advances

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

**12. Asset Liability Management (ALM)**

Assets and liabilities are classified in the maturity buckets as per the guidelines issued by the RBI.

	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
<b>As at December 31, 2020</b>												
Deposits	117.36	364.67	341.96	1,159.19	2,309.60	1,162.21	3,754.79	8,935.09	9,869.40	5,401.93	22.20	33,438.40
Advances	107.33	518.49	592.80	711.08	2,026.12	3,972.42	5,833.04	10,784.71	10,150.78	424.86	2,701.00	37,822.63
Investments	9,075.23	86.99	75.82	283.58	171.71	121.53	513.57	1,178.16	2,220.78	1,318.45	68.58	15,114.40
Borrowings	2,254.79	-	11.90	-	501.70	886.20	2,099.00	1,953.80	4,536.15	1,627.25	1,000.00	14,870.79
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

	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
<b>As at December 31, 2019</b>												
Deposits	31.89	933.57	295.25	624.21	725.39	1,391.82	4,251.13	5,174.57	11,201.91	282.23	1.60	24,913.57
Advances	204.44	462.56	581.54	865.77	1,986.94	2,057.32	5,828.44	8,959.96	10,082.79	878.84	1,700.43	33,609.03
Investments	3,930.14	179.18	78.20	415.53	125.45	948.62	408.81	467.54	2,295.61	77.52	1.67	8,928.27
Borrowings	976.28	0.03	8.33	-	409.03	705.03	705.09	1,824.80	3,840.45	400.26	-	8,869.30
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	0.00
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	0.00

	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
<b>As at March 31, 2020</b>												
Deposits	67.15	1,174.70	434.58	723.84	1,116.69	2,533.80	4,241.60	4,997.21	12,090.19	1,106.04	1.35	28,487.15
Advances	-	-	-	-	-	2,874.70	6,365.67	10,365.43	13,046.90	710.30	1,956.44	35,319.44
Investments	2,284.49	196.41	84.35	100.82	232.66	955.83	864.16	579.33	2,499.60	283.69	0.64	8,081.98
Borrowings	-	765.60	11.90	225.00	171.93	321.93	1,384.83	2,258.87	6,156.52	1,349.57	-	12,646.15
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

	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
<b>As at March 31, 2019</b>												
Deposits	15.44	413.58	479.74	995.78	985.49	903.92	1,930.74	4,177.19	6,000.92	30.87	0.58	15,934.25
Advances	54.37	288.96	389.96	568.47	1,390.63	1,440.51	4,200.93	7,798.61	9,122.31	586.98	954.11	26,795.84
Investments	1,716.68	863.55	376.76	237.00	186.46	1,135.28	289.87	475.46	1,287.41	75.20	0.26	6,643.93
Borrowings	-	0.03	13.33	225.00	510.03	710.03	967.42	2,045.85	5,770.54	1,000.05	-	11,242.28
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-	0.00
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-	0.00

	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
<b>As at March 31, 2018</b>												
Deposits	7.85	153.51	50.18	13.42	339.69	391.49	867.08	2,309.03	3,355.90	6.80	0.27	7,495.22
Advances	36.96	175.81	262.94	358.37	898.79	940.16	2,646.20	4,515.56	5,125.13	458.77	268.09	15,686.78
Investments	336.94	205.62	77.05	35.53	140.57	259.52	264.07	210.79	1,434.17	149.09	0.08	3,113.43
Borrowings	-	200.00	136.69	24.09	403.36	1,044.17	1,750.86	1,514.90	1,683.86	420.39	-	7,178.32
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.



### 13. Contingent liabilities

Contingent liabilities *	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
The Bank is contingently liable to financial institutions with respect to securitisation of loans and advances to the extent of cash collateral and credit enhancements	-	69.32	-	165.96	-
Service tax liability	5.97	5.69	5.76	5.47	5.19
Income tax liability	32.68	27.44	29.70	26.69	25.88
Undrawn commitments	2.99	4.81	3.66	80.49	46.85
Others	7.11	6.78	7.11	6.78	-

#### Description of contingent liabilities

##### a) 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.

##### b) 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) Other items for which the Bank is contingently liable

Primarily includes Provident fund liability

\*Also refer Annexure 16 - Contingent liabilities

### 14. Provision on Standard Assets

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Provision towards standard assets	139.96	98.49	115.86	73.75	39.70

### 15. Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in Profit and Loss Account

The following table sets forth, for the periods indicated, the break-up of provisions and contingencies included in Profit and Loss Account:

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Provision for depreciation on Investment	0.15	15.36	-	-	(1.12)
Provision towards NPA ( Net off write off)	384.98	461.85	603.88	412.08	500.26
Provision towards Income tax	321.79	510.20	620.08	623.35	107.23
Deferred Tax Benefit	(169.88)	6.65	(188.30)	(100.09)	(43.79)
Provision for Standard Assets	24.10	24.74	42.11	34.05	19.88
Other provision and contingencies *	755.86	73.45	872.62	292.16	27.59
<b>Total</b>	<b>1,317.00</b>	<b>1,092.25</b>	<b>1,950.39</b>	<b>1,261.55</b>	<b>610.05</b>

\* Since the quarter 4 of FY2020, the COVID-19 pandemic has impacted most countries, including India. The Government of India initiated a nation-wide lock-down from March 25, 2020 which was further extended until May 31, 2020. A gradual and calibrated easing of lock-down measures has started from June 2020. Since the easing of lockdown measures, there has been a gradual pickup in economic activity and growth in high frequency economic indicators is improving. During nine month period ended December 31, 2020, the loan growth was impacted due to lower credit demand and fee income declined due to lower borrowing and investment activity by customers. The slowdown in the economy is expected to result in higher additions to non-performing loans and increase in provisions.

In the current financial year, the Bank made an additional COVID provision related provision of ₹ 747.20 million and held a total of ₹ 1407.10 million as at December 2020. This additional provision made by the Bank is more than the requirement as per RBI guidelines dated April 17, 2020.

In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, RBI through its circulars dated March 27, 2020 and April 17, 2020, permitted banks to grant a moratorium, on the payment of installments and / or interest, falling due between March 1, 2020 and May 31, 2020, to their borrowers classified as standard even if overdue, as on February 29, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past- due shall exclude the moratorium period for the purposes of determining whether an asset is non-performing).

The following table sets forth the break-up of benefits extended as per above circular "COVID-19 Regulatory Package - Asset Classification and Provisioning dated April 17, 2020" to overdue accounts (excluding NPA) as at February 29, 2020:

Particulars	December 31, 2020	March 31, 2020
(i) Respective amounts in SMA/overdue categories for borrowers as at March 31, 2020, where the moratorium/ deferment was extended in terms of paragraph 2 and 3 of the circular <sup>1</sup>	1,065.91	1,086.86
(ii) of the above, Respective amount where asset classification benefits is extended <sup>1</sup>	1,065.91	139.62
(iii) Provisions made during the period/ year	-	108.69
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-	-
(v) Residual provisions held at period end <sup>2</sup>	108.69	108.69

1. Outstanding balance as at December 31 2020.

2. Total COVID-19 related provision held at December 31, 2020 ₹ 1407.10 million (March 31, 2020: ₹ 659.91 million). The provision made by the Bank was more than the requirement under RBI guidelines.

**Suryoday Small Finance Bank Limited**
**Annexure 22 - Notes forming part of the Restated Summary Statements**
*(All amounts are in Indian Rupees in million unless otherwise stated)*
**16. Business ratio**

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Interest income as a percentage to working funds <sup>1 2</sup>	10.63%	13.09%	17.23%	18.38%	16.51%
Non-interest income as a percentage to working funds <sup>1 2</sup>	1.11%	1.47%	1.97%	2.32%	2.19%
Operating profit <sup>3</sup> as a percentage to working funds <sup>1 2</sup>	3.18%	5.48%	6.88%	7.51%	4.17%
Return on assets <sup>4</sup> (average)	0.93%	2.94%	2.50%	3.13%	0.66%
Business <sup>4</sup> (deposit plus net advances) per employee <sup>5</sup> (₹ in million)	13.87	11.11	12.33	10.76	7.67
Profit per employee <sup>5</sup> (₹ in million)	0.12	0.31	0.27	0.27	0.05
Provision coverage ratio <sup>6</sup>	89.58%	84.22%	84.71%	75.80%	48.33%

1. Working funds represent the monthly average of total assets computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.

2. Working funds is the monthly average of total assets during the previous year.

3. Operating profit is net profit for the year before provisions and contingencies.

4. "Business" is the total of net advances and deposits (net of inter-bank deposits).

5. Productivity ratios are based on average monthly employee numbers.

6. Provision coverage ratio include Technical write offs.

**17. Employee benefits**
**Employment 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. 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	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Current service cost	14.59	11.34	16.57	11.08	7.92
Interest cost on benefit obligation	2.40	1.91	2.55	1.84	1.35
Past Service Cost	-	-	-	-	0.47
Expected return on plan assets*	(0.09)	(0.29)	(0.36)	(0.51)	(0.66)
Net actuarial (gain)/ loss recognized in the period	0.46	4.27	4.57	1.28	(1.45)
<b>Employer Expenses</b>	<b>17.36</b>	<b>17.23</b>	<b>23.33</b>	<b>13.69</b>	<b>7.63</b>

\* Represents expected returns determined by the actuary

Net Liability/ (Asset) recognised in the Balance Sheet	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Present value of Defined Benefit Obligation	72.98	53.22	58.22	38.10	26.26
Fair value of plan assets	1.06	4.76	3.66	6.87	8.72
Net liability recognized in balance sheet	71.92	48.46	54.56	31.23	17.54
Less: Unrecognised Past Service Cost	-	-	-	-	-
<b>Liability recognized in balance sheet</b>	<b>71.92</b>	<b>48.46</b>	<b>54.56</b>	<b>31.23</b>	<b>17.54</b>

Reconciliation of Defined Benefit Obligation (DBO)	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
<b>Present Value of DBO at start of year</b>	<b>58.22</b>	<b>38.10</b>	<b>38.11</b>	<b>26.27</b>	<b>20.69</b>
Interest cost	2.40	1.91	2.55	1.84	1.35
Current service cost	14.59	11.34	16.57	11.08	7.92
Past Service Cost	-	-	-	-	0.47
Benefits paid	(2.72)	(2.59)	(3.78)	(2.41)	(2.66)
Actuarial (gain)/ loss	0.49	4.46	4.77	1.33	(1.50)
<b>Present Value of DBO at end of period/ year</b>	<b>72.98</b>	<b>53.22</b>	<b>58.22</b>	<b>38.11</b>	<b>26.27</b>

Reconciliation of Fair Value of Plan Assets	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Fair Value of Plan Assets at start of year	3.67	6.88	6.88	8.73	10.78
Expected return on plan assets	0.09	0.29	0.36	0.51	0.66
Contributions by the employer	-	-	-	-	-
Benefits paid	(2.72)	(2.59)	(3.78)	(2.41)	(2.66)
Actuarial ( loss)/ gain	0.03	0.19	0.21	0.05	(0.05)
<b>Fair value of plan assets at end of period/ year</b>	<b>1.07</b>	<b>4.77</b>	<b>3.67</b>	<b>6.88</b>	<b>8.73</b>
Estimated employer contributions for the next year	1.00	1.00	0.56	5.00	5.00
Actual return on plan assets	0.13	0.48	0.00	0.56	0.61

The principal assumptions used in determining gratuity obligations for the Bank's plan are shown below:	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Discount rate	4.50%	6.10%	5.50%	6.70%	7.00%
Expected rate of return on assets	5.50%	6.70%	6.70%	7.00%	6.50%
Employee turnover	25.00%	25.00%	25.00%	25.00%	25.00%
Salary growth rate	7.50%	7.50%	7.50%	7.50%	7.50%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)	IALM 2006-08ULT.
Expected average remaining working lives of employees	3 Years	3 Years	3 Years	3 Years	3 Years

**Percentage break-down of total plan assets**

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Insurer Managed Funds (non unit-linked)	31.00%	86.00%	81.00%	61.00%	55.50%
Insurer Managed Funds (unit-linked)	69.00%	14.00%	19.00%	39.00%	44.50%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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(All amounts are in Indian Rupees in million unless otherwise stated)

**Planned Asset Break up for Unit Linked Fund**

Debentures and Bonds	65.35%	76.52%	52.83%	65.27%	59.85%
Government Securities	32.58%	20.01%	41.88%	32.74%	33.30%
Deposits, Money market instruments and net current assets	2.07%	3.47%	5.29%	1.99%	6.85%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Planned Asset Break up for Non Linked Fund**

Government Securities	98.22%	93.19%	18.66%	21.98%	25.53%
Corporate Bonds	0.78%	4.61%	79.94%	66.80%	67.86%
Cash and Deposit	1.00%	2.20%	1.40%	11.22%	6.61%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Experience Adjustments**

Experience Adjustments	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Present Value of DBO	72.98	53.22	58.22	38.10	26.26	20.69	14.03
Fair Valuation of Plan Assets	1.06	4.76	3.66	6.87	8.72	10.78	11.14
<b>Funded Status [Surplus/(Deficit)]</b>	<b>(71.92)</b>	<b>(48.46)</b>	<b>(54.56)</b>	<b>(31.23)</b>	<b>(17.54)</b>	<b>(9.91)</b>	<b>(2.89)</b>
<b>Experience adjustment on plan liabilities : (Gain) / Loss</b>	<b>-2.79</b>	<b>-3.06</b>	<b>2.00</b>	<b>0.40</b>	<b>(1.60)</b>	<b>(0.19)</b>	<b>0.05</b>
<b>Experience adjustment on plan Assets : Gain / ( Loss )</b>	<b>0.02</b>	<b>0.17</b>	<b>0.20</b>	<b>0.09</b>	<b>0.13</b>	<b>0.09</b>	<b>(0.29)</b>

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 at the start of the year.

**Employment benefits - Leave Availment**

The actuarial liability in respect of privilege leave granted to employees of the Bank is as follows:

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Leave Availment balance	9.96	7.31	8.57	6.19	3.63
Assumption:					
Discount rate	4.50%	6.10%	5.50%	6.70%	7.00%
Salary escalation rate	7.50%	7.50%	7.50%	7.50%	7.50%

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 annexure 20 amounted to ₹ 71.23 million, ₹ 61.90 million, ₹ 86.22 million, ₹ 60.82 million, ₹ 44.22 million for the period/ year ended December 31, 2020; December 31, 2019; March 31, 2020; March 31, 2019; and March 31, 2018 respectively.

## **18. Disclosure on Remuneration**

### **A) Qualitative Disclosures**

#### **(a) Information relating to the bodies that oversee remuneration.**

##### **Name, composition and mandate of the main body overseeing remuneration**

The Nomination and Remuneration Committee (NRC) of the Board is the main body overseeing remuneration. As on December 31, 2020, the NRC had five members of which three are Independent Directors. The functions of the Committee include formulating criteria to determine independence of directors, identifying persons for appointment as directors on the Board of the Bank, devising a policy on board diversity, formulating criteria for evaluation of performance of the Board, its Committees and individual directors, recommending remuneration of senior management personnel, administering, monitoring and formulating detailed terms and conditions of the Employees' Stock Option Scheme of the Bank, recommending to the Board policy on succession planning for the Board and senior management and overseeing and reviewing the succession plans from time to time.

##### **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. The Compensation Policy is under implementation for FY 2020-21.

(c) The Employee Policies Manual of the Bank approved by the Board on January 23, 2017 and reviewed periodically covers the 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 December 31, 2020 was 4,770.

#### **(b) Information relating to the design and structure of remuneration processes.**

**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.

**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 new Compensation Policy was approved during the period and the earlier Policy on appointment and remuneration of Directors, Key Managerial personnel and senior management employees was modified accordingly.

**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.**

**Overview of the key risks that the Bank takes into account when implementing remuneration measures:** The Board approves the overall risk management policy including risk framework, limits, etc. The Bank conducts all its business activities within this framework. The NRC while assessing the performance of the Bank and senior management, shall consider adherence to the policies and accordingly make its recommendations to the Board.

**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

**(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.

**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) Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance**

**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 equally over 5 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

**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 :**

**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 Enabling & Supporting Functions Staff (ESS) are eligible for variable remuneration which could be in cash or non- cash forms. The Policy also determines the category-wise mix of the variable compensation payable.

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**18. Disclosure on Remuneration**
**B) Quantitative Disclosure**

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of Managing Director &amp; Chief Executive Officers.

Sr. No	Subject	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
(a)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings : 6 Remuneration paid : ₹ 0.42 million	Number of meetings : 4 Remuneration paid : ₹ 0.26 million	Number of meetings : 6 Remuneration paid : ₹ 0.38 million	Number of meetings : 4 Remuneration paid : ₹ 0.18 million	Number of meetings : 2 Remuneration paid : ₹ 0.12 million
(b)	Remuneration paid to its members					
(b) (i)	Number of employees having received a variable remuneration award during the financial year.	1 employee	1 employee	1 employee	1 employee	None
(b) (ii)	Number and total amount of sign on awards made during the financial year	None	None	None	None	None
(b) (iii)	Details of guaranteed bonus, if any, paid as joining /sign on bonus	None	None	None	None	None
(b) (iv)	Details of severance pay, in addition to accrued benefits, if any	None	None	None	None	None
(c) (i)	Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	None	None	None	None	None
(c) (ii)	Total amount of deferred remuneration paid out in the financial year	None	None	None	None	None
(d)	Breakdown of amount of remuneration awards for the period to show fixed and variable, deferred and non deferred:					
(d) (i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non deferred.	Fixed Pay* : ₹ 9.75 million Variable pay : ₹ 0.00 million ( Board has approved Rs. 3.2 million subject to RBI approval which is awaited)	Fixed Pay* : ₹ 9.75 million Variable pay : ₹ 2.50 million	Fixed Pay* : ₹ 13.62 million Variable pay : ₹ 2.50 million	Fixed Pay* : ₹ 10.50 million Variable pay : ₹ 1.71 million	Fixed Pay* : ₹ 9.0 million Variable pay : ₹ 0.00 million
(e) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	None	None	None	None	None
(e) (ii)	Total amount of reductions during the financial year due to ex post explicit adjustments.	None	None	None	None	None
(e) (iii)	Total amount of reductions during the financial year due to ex post implicit adjustments	None	None	None	None	None

\* Fixed pay includes basic salary, contribution to provident fund and reimbursements

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(All amounts are in Indian Rupees in million unless otherwise stated)

**19. 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 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 banks and financial institutions. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

**c) Wholesale banking**

Wholesale banking includes all advances to companies and statutory bodies, 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 period ended December 31, 2020 is given below:

Particulars	Treasury	Retail banking	Corporate	Other banking operations	Total
Segment Revenue	1,166.35	6,401.79	249.07	26.36	7,843.57
Segment Result	171.20	531.25	18.28	-	720.73
Unallocated expenses					(20.16)
Operating Profit					700.57
Income taxes					(151.91)
Extraordinary profit/loss					-
Net Profit					548.66
Other information:					
Segment assets	23,254.11	35,811.40	3,807.74	34.17	62,907.42
Unallocated assets					596.67
Total assets					63,504.09
Segment Liabilities	13,902.61	37,059.27	446.89	67.95	51,476.72
Unallocated liabilities					117.75
Total liabilities					51,594.47
Capital employed					11,909.62
Capital expenditure					90.67
Depreciation					98.56

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Segment reporting for the period ended December 31, 2019 is given below:

Particulars	Treasury	Retail banking	Corporate	Other banking operations	Total
Segment Revenue	526.78	5,964.61	193.69	41.38	6,726.46
Segment Result	43.52	1,725.52	32.67	-	1,801.71
Unallocated expenses					(18.08)
Operating Profit					1,783.63
Income taxes					(516.85)
Extraordinary profit/loss					-
Net Profit					1,266.78
Other information:					
Segment assets	10,335.85	32,256.70	2,950.87	82.06	45,625.48
Unallocated assets					266.09
Total assets					45,891.57
Segment Liabilities	9,665.32	25,022.05	389.22	56.98	35,133.57
Unallocated liabilities					4.87
Total liabilities					35,138.44
Capital employed					10,753.13
Capital expenditure					24.98
Depreciation					50.00

Segment reporting for the year ended March 31, 2020 is given below:

Particulars	Treasury	Retail banking	Corporate	Other banking operations	Total
Segment Revenue	701.31	8,139.09	282.01	57.29	9,179.70
Segment Result *	73.29	1,540.07	(44.88)	-	1,568.48
Unallocated expenses					(24.72)
Operating Profit					1,543.76
Income taxes					(431.78)
Extraordinary profit/loss					-
Net Profit					1,111.98
Other information:					
Segment assets	16,350.52	33,454.63	3,261.15	48.46	53,114.76
Unallocated assets					530.46
Total assets					53,645.22
Segment Liabilities	13,471.98	28,975.32	519.82	10.47	42,977.59
Unallocated liabilities					5.32
Total liabilities					42,982.91
Capital employed					10,662.31
Capital expenditure					227.20
Depreciation					97.84

\* Includes additional provision of ₹ 659.91 million for potential impact of COVID-19 (annexure 22 (15)) - Retail banking ₹ 574.34 million and Corporate banking ₹ 85.56 million. Without COVID-19 additional provision segment result for Retail banking and Corporate would have been ₹ 2,110.38 million and ₹ 40.69 million respectively.

Segment reporting for the year ended March 31, 2019 is given below:

Particulars	Treasury	Retail banking	Corporate	Other banking operations	Total
Segment Revenue	444.15	5,907.75	81.53	63.76	6,497.19
Segment Result	46.24	1,376.04	23.10	-	1,445.38
Unallocated expenses					(18.14)
Operating Profit					1,427.24
Income taxes					(523.26)
Extraordinary profit/loss					-
Net Profit					903.98
Other information:					
Segment assets	9,183.46	26,841.43	1,198.23	109.84	37,332.96
Unallocated assets					279.07
Total assets					37,612.03
Segment Liabilities	12,398.90	16,230.26	116.50	58.60	28,804.26
Unallocated liabilities					4.10
Total liabilities					28,808.36
Capital employed					8,803.67
Capital expenditure					104.75
Depreciation					55.94



Segment reporting for the year ended March 31, 2018 is given below:

Particulars	Treasury	Retail banking	Corporate	Other banking operations	Total
Segment Revenue	263.31	3,202.44	1.26	22.52	3,489.53
Segment Result	5.94	163.39	(1.57)	19.44	187.20
Unallocated expenses					(8.85)
Operating Profit					178.35
Income taxes					(63.43)
Extraordinary profit/loss					-
Net Profit					114.92
Other information:					
Segment assets	4,648.46	16,565.67	188.30	11.87	21,414.30
Unallocated assets					145.34
Total assets					21,559.64
Segment Liabilities	199.84	15,873.11	95.07	3.04	16,171.06
Unallocated liabilities					3.73
Total liabilities					16,174.79
Capital employed					5,384.85
Capital expenditure					116.37
Depreciation					46.64

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**20. Liquidity Coverage Ratio**

Quantitative information on Liquidity Coverage Ratio (LCR) is given below:

Particulars	Quarter ended June 30, 2020		Quarter ended September 30, 2020		Quarter ended December 31, 2020	
	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)		13,613.95		19,444.23		20,907.26
<b>Cash Outflows</b>						
2 Retail deposits and deposits from small business customers, of which:	10,523.93	1,052.39	12,795.59	1,279.56	14,893.39	1,489.34
(i) Stable deposits	-	-	-	-	-	-
(ii) Less stable deposits	10,523.93	1,052.39	12,795.59	1,279.56	14,893.39	1,489.34
3 Unsecured wholesale funding, of which:	7,797.85	6,407.27	8,432.13	6,833.26	8,633.10	6,964.69
(i) Operational deposits (all counterparties)	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,645.40	254.82	1,919.93	321.06	2,005.52	337.11
(iii) Unsecured debt	6,152.45	6,152.45	6,512.20	6,512.20	6,627.58	6,627.58
4 Secured wholesale funding		565.80		527.16		491.14
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	2,312.94	1,681.86	2,288.58	1,755.14	2,966.00	1,516.69
7 Other contingent funding obligations	-	-	-	-	-	-
8 Total cash outflows		9,707.32		10,395.12		10,461.86
<b>Cash Inflows</b>						
9 Secured lending (e.g. reverse repo)	5,920.75	-	6,854.80	-	7,609.88	-
10 Inflows from fully performing exposures	1,802.43	1,588.70	3,105.14	2,077.14	3,336.32	2,031.73
11 Other cash inflows	804.38	402.19	887.72	443.86	1,099.65	549.83
12 Total cash inflows	8,527.56	1,990.89	10,847.66	2,521.00	12,045.85	2,581.56
21 Total HQLA		13,613.95		19,444.23		20,907.26
22 Total Net Cash Outflows		7,716.43		7,874.12		7,880.30
23 Liquidity Coverage Ratio (%)		176.43		246.94		265.31

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

Quantitative information on Liquidity Coverage Ratio (LCR) is given below:

Particulars	Quarter ended June 30, 2019		Quarter ended September 30, 2019		Quarter ended December 31, 2019		Quarter ended March 31, 2020	
	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)		4,425.34		6,165.49		6,616.42		7,484.78
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	5,360.06	536.01	6,853.71	685.37	7,980.02	798.00	9,466.62	946.66
(i) Stable deposits	-	-	-	-	-	-	-	-
(ii) Less stable deposits	5,360.06	536.01	6,853.71	685.37	7,980.02	798.00	9,466.62	946.66
3 Unsecured wholesale funding, of which:	3,709.61	3,107.31	4,213.90	3,570.90	5,738.62	4,798.44	6,490.67	5,129.32
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	735.50	133.19	743.76	100.78	1,144.46	204.29	1,661.66	300.31
(iii) Unsecured debt	2,974.11	2,974.12	3,470.14	3,470.12	4,594.16	4,594.15	4,829.01	4,829.01
4 Secured wholesale funding		800.23		838.03		734.31		672.97
5 Additional requirements, of which	200.00	200.00	200.00	200.00	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirement	200.00	200.00	200.00	200.00	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligation	1,174.54	1,120.68	1,471.77	1,380.44	1,513.06	1,242.36	1,991.51	1,508.81
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total cash outflows		5,764.23		6,674.74		7,573.11		8,257.76
<b>Cash Inflows</b>								
9 Secured lending (e.g. reverse repo)	95.41	-	350.12	0.00	536.28	-	977.45	0.00
10 Inflows from fully performing exposures	4,108.48	2,971.49	4,251.36	3,057.89	4,120.60	2,877.65	4,358.27	3,037.12
11 Other cash inflows	723.03	361.52	714.87	357.44	700.03	350.02	688.76	344.38
12 Total cash inflows	4,926.92	3,333.01	5,316.35	3,415.33	5,356.91	3,227.67	6,024.48	3,381.50
21 Total HQLA		4,425.34		6,165.49		6,616.42		7,484.78
22 Total Net Cash Outflows		2,431.22		3,259.41		4,345.44		4,876.26
23 Liquidity Coverage Ratio (%)		182.02		189.16		152.26		153.49

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

Quantitative information on Liquidity Coverage Ratio (LCR) is given below:

Particulars	Quarter ended June 30, 2018		Quarter ended September 30, 2018		Quarter ended December 31, 2018		Quarter ended March 31, 2019	
	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)		2,413.16		3,090.31		3,815.11		4,026.94
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	2,630.38	263.04	3,186.42	318.64	3,545.22	354.52	4,277.40	427.74
(i) Stable deposits	-	-	-	-	-	-	-	-
(ii) Less stable deposits	2,630.38	263.04	3,186.42	318.64	3,545.22	354.52	4,277.40	427.74
3 Unsecured wholesale funding, of which:	2,656.27	1,370.23	2,907.19	1,180.15	3,506.18	3,068.16	3,507.78	3,035.34
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,282.23	128.22	1,607.82	160.78	523.70	85.68	569.20	96.76
(iii) Unsecured debt	1,374.04	1,242.01	1,299.37	1,019.37	2,982.48	2,982.48	2,938.58	2,938.58
4 Secured wholesale funding		419.15		672.31		402.50		804.53
5 Additional requirements, of which	217.46	217.46	201.59	201.59	200.00	200.00	200.00	200.00
(i) Outflows related to derivative exposures and other collateral requirement	217.46	217.46	201.59	201.59	200.00	200.00	200.00	200.00
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligation	587.16	550.20	665.85	613.63	777.92	773.41	858.89	785.58
7 Other contingent funding obligations	-	-	3.00	0.09	-	-	-	-
8 Total cash outflows		2,820.08		2,986.41		4,798.59		5,253.19
<b>Cash Inflows</b>								
9 Secured lending (e.g. reverse repo)	13.33	-	170.00	-	78.31	-	84.32	-
10 Inflows from fully performing exposures	2,122.73	1,491.03	2,184.64	1,420.44	2,394.08	1,546.62	3,035.03	2,044.54
11 Other cash inflows	45.49	39.29	56.40	38.68	392.17	196.08	472.70	236.28
12 Total cash inflows	2,181.55	1,530.32	2,411.04	1,459.12	2,864.56	1,742.70	3,592.05	2,280.82
21 Total HQLA		2,413.16		3,090.31		3,815.11		4,026.94
22 Total Net Cash Outflows		1,289.76		1,527.29		3,055.89		2,972.37
23 Liquidity Coverage Ratio (%)		187.10		202.34		124.84		135.48

**Suryoday Small Finance Bank Limited**
**Annexure 22 - Notes forming part of the Restated Summary Statements**

(All amounts are in Indian Rupees in million unless otherwise stated)

Quantitative information on Liquidity Coverage Ratio (LCR) is given below:

Particulars	Quarter ended June 30, 2017		Quarter ended September 30, 2017		Quarter ended December 31, 2017		Quarter ended March 31, 2018	
	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*
1 Total High Quality Liquid Assets (HQLA)		2,778.14		1,988.78		1,630.28		1,953.25
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of	339.41	33.94	948.99	94.90	1,508.30	150.83	2,150.78	215.08
(i) Stable deposits	-	-	-	-	-	-	-	-
(ii) Less stable deposits	339.41	33.94	948.99	94.90	1,508.30	150.83	2,150.78	215.08
3 Unsecured wholesale funding, of which:	141.12	123.68	433.86	298.55	848.40	662.98	926.07	413.58
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	19.38	1.94	150.34	15.03	206.02	20.60	513.84	51.38
(iii) Unsecured debt	121.74	121.74	283.52	283.52	642.38	642.38	412.23	362.20
4 Secured wholesale funding		301.86		246.78		221.73		358.45
5 Additional requirements, of which	365.46	365.46	304.55	304.55	263.49	263.49	234.92	234.92
(i) Outflows related to derivative exposures and other collateral	365.46	365.46	304.55	304.55	263.49	263.49	234.92	234.92
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligation	256.49	256.49	263.35	263.35	707.33	707.33	868.99	829.03
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total cash outflows		1,081.43		1,208.13		2,006.36		2,051.06
<b>Cash Inflows</b>								
9 Secured lending (e.g. reverse repo)	-	-	-	-	-	-	300.00	-
10 Inflows from fully performing exposures	707.72	353.86	798.04	399.02	1,316.35	849.62	1,684.03	1,160.70
11 Other cash inflows	589.80	582.45	279.86	273.82	649.10	637.37	289.00	280.72
12 Total cash inflows	1,297.52	936.31	1,077.90	672.84	1,965.45	1,486.99	2,273.03	1,441.42
21 Total HQLA		2,778.14		1,988.78		1,630.28		1,953.25
22 Total Net Cash Outflows		270.36		535.29		519.37		609.64
23 Liquidity Coverage Ratio (%)		1027.59		371.53		313.90		320.39

\*The weighted value and unweighted value are calculated by monthly simple average. From 1 October 2018, the Bank started computing LCR on daily basis.

**Suryoday Small Finance Bank Limited**  
**Annexure 22 - Notes forming part of the Restated Summary Statements**  
*(All amounts are in Indian Rupees in million unless otherwise stated)*

**Quantitative 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 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 estimated net cash outflows over a stressed 30 day period as per RBI Guidelines. Minimum LCR requirement for small finance banks is 90% upto 31 March 2021 and 100% by April 1, 2021. As per RBI circular on Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR) dated April 17, 2020, the LCR requirement for Banks is reduced as under:

From date of circular to September 30, 2020	- 80%
Oct 1, 2020 to March 31, 2021	- 90%
April 1, 2021 onwards	- 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 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 inflows from assets maturing within 30 days.

Reason for LCR in excess of minimum regulatory requirement are as follows:

1. The Bank continues to maintain excess liquidity to meet fund requirement for disbursements and contingency funding for contingencies.

Reason for increase in LCR during the period:

1. Maintaining excess liquidity in HQLA to meet fund requirement and funding for contingencies.

The major sources of funding are deposits, inter-banks borrowing and refinance from financial institutions.

The liquidity management of the Bank is centralised at Treasury. Treasury Front Office shall, depending upon the expected outflows and inflows for the day, decide to borrow or lend to maintain optimal liquidity.

## 21. Deferred Tax Assets

The composition of Deferred Tax Assets (DTA) is as under :

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
<b>Deferred tax asset arising out of:</b>					
Loan loss provision and COVID provision	556.01	204.16	392.64	207.66	114.46
Employee benefits	20.80	12.63	15.91	13.08	7.40
Depreciation	19.58	14.72	17.95	15.97	9.66
Others	0.40	0.44	0.39	1.89	6.98
<b>Total (a)</b>	<b>596.79</b>	<b>231.95</b>	<b>426.89</b>	<b>238.60</b>	<b>138.50</b>
<b>Deferred tax liability arising out of:</b>					
<b>Total (b)</b>	-	-	-	-	-
<b>Deferred tax asset (net) (a-b)</b>	<b>596.79</b>	<b>231.95</b>	<b>426.89</b>	<b>238.60</b>	<b>138.50</b>

## 22. PSLC

Sale of PSLC during the period/year ended:

Type of PSLCs	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Agriculture	-	-	-	-	-
Small and Marginal Farmers	11,000.00	11,350.00	12,650.00	9,150.00	4,900.00
Micro Enterprises	-	10,250.00	10,250.00	11,757.50	7,952.50
General	8,500.00	-	1,000.00	-	-
<b>Total</b>	<b>19,500.00</b>	<b>21,600.00</b>	<b>23,900.00</b>	<b>20,907.50</b>	<b>12,852.50</b>

Purchase of PSLC during the period/year ended:

Type of PSLCs	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Agriculture	-	-	-	-	-
Small and Marginal Farmers	-	-	-	-	-
Micro Enterprises	200.00	-	-	-	-
General	-	-	-	-	-
<b>Total</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Net PSLC sold have been netted under priority sector category in annexure 13 and classified under Non- priority sector.

## 23. 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 on an annual basis. In the case of smaller entities i.e. entities with exposure to banking industry of less than ₹ 250 million and as identified by the Bank as having any foreign exchange exposure, the Bank recognises an incremental provision at 10 basis points on all such exposures.

In accordance with RBI guidelines, the Bank holds standard asset provisions and capital requirement in respect of the unhedged foreign currency exposure of its customers.

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Standard asset provisions	13.49	-	16.69	1.28	-
Capital requirement	381.50	-	454.57	2.41	-

## 24. Leases

Operating lease primarily comprises of office premises, vehicle, computers and tablets, which are renewable at the option of the Bank. The following table sets forth the details of future rentals payable on operating leases :

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
Not later than one year	57.64	72.42	65.17	54.20	9.29
Later than one year but not later than five years	44.50	101.87	68.86	98.49	25.42
Later than five years	0.90	2.25	1.92	3.22	3.29
<b>Total</b>	<b>103.04</b>	<b>176.55</b>	<b>135.95</b>	<b>155.91</b>	<b>38.00</b>
The total lease payments recognised in the Statement of Profit and Loss account for the year	<b>185.22</b>	<b>140.61</b>	<b>201.04</b>	<b>105.95</b>	<b>64.59</b>

The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreement.

## 25. Customer Complaints

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
(a) No. of complaints pending at the beginning of the period/ year	12	17	17	-	-
(b) No. of complaints received during the period/ year	1,615	683	1,088	495	109
(c) No. of complaints redressed during the period/ year	1,561	680	1,093	478	109
(d) No. of complaints pending at the end of the period/ year	66	20	12	17	-

### ATM related customer complaints included in the above

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
(a) No. of complaints pending at the beginning of the period/ year	-	2	2	-	-
(b) No. of complaints received during the period/ year	189	166	443	157	7
(c) No. of complaints redressed during the period/ year	184	162	445	155	7
(d) No. of complaints pending at the end of the period/ year	5	6	-	2	-

## 26. Award passed by the Banking Ombudsman

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
(a) No. of unimplemented Awards at the beginning of the period/ year	-	-	-	-	-
(b) No. of Awards passed by the Banking Ombudsmen during the period/ year	-	-	-	-	-
(c) No. of Awards implemented during the period/ year	-	-	-	-	-
(d) No. of unimplemented Awards at the end of the period/ year	-	-	-	-	-

## 27. Corporate Social Responsibility (CSR)

a) Gross amount required to be spent by the company during the year ending March 31, 2021 and year ended March 31, 2020 ; March 31, 2019 and March 31, 2018 is ₹ 20.54 million; ₹ 11.86 million ; ₹ 5.43 million ₹ 6.08 million respectively under section 135 of the Companies Act, 2013.

### b) Amount spent during the period ended December 31, 2020

Particulars	In Cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	0.94	19.56	20.50
<b>Total</b>	<b>0.94</b>	<b>19.56</b>	<b>20.50</b>

### b) Amount spent during the period ended December 31, 2019

Particulars	In Cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	1.06	11.38	12.44
<b>Total</b>	<b>1.06</b>	<b>11.38</b>	<b>12.44</b>

### b) Amount spent during the year ended March 31, 2020

Particulars	In Cash	Yet to be paid in cash *	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	9.44	3.00	12.44
<b>Total</b>	<b>9.44</b>	<b>3.00</b>	<b>12.44</b>

\*Paid on May 21, 2020

### b) Amount spent during the year ended March 31, 2019

Particulars	In Cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	7.54	-	7.54
<b>Total</b>	<b>7.54</b>	<b>-</b>	<b>7.54</b>

### b) Amount spent during the year ended March 31, 2018

Particulars	In Cash	Yet to be paid in cash	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	6.62	-	6.62
<b>Total</b>	<b>6.62</b>	<b>-</b>	<b>6.62</b>

## 28. Related party disclosure

The Bank has only one related party i.e. Mr. R Baskar Babu, Managing Director (MD) and Chief Executive Officer. Hence, related party transactions are not disclosed as per the exemption provided in the RBI Master circular on 'Disclosure in Financial Statements' Notes to Accounts dated 1 July 2015.

## 29. Off balance sheet SPV

There are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms.

## 30. Small and micro industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments during the period/ year ended December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018



### 31. Depositor Education and Awareness Fund

In accordance with the guidelines issued by the RBI, the Bank is required to transfers the amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for than ten years to the DEAF. During the period/ year ended December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018, no amount has been transferred to Depositor Education and Awareness Fund.

### 32. Bancassurance Business

The details of fees / brokerage earned in respect of insurance broking undertaken by the Bank are as under:

Nature of income	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
For selling life insurance policies	21.91	26.81	37.57	29.97	13.28
For selling non-life insurance policies	4.33	14.56	19.52	9.45	9.02
<b>Total</b>	<b>26.24</b>	<b>41.37</b>	<b>57.09</b>	<b>39.42</b>	<b>22.30</b>

### 33. Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets / NPA as at December 31, 2020, as at December 31, 2019, March 31, 2020, as at March 31, 2019 and as at 31 March 2018 and no overseas operations were undertaken during the period ended December 31, 2020, December 31, 2019 and year ended March 31, 2020, March 31, 2019 and year ended March 31, 2018 hence revenue from overseas operation is Nil.

### 34. Fraud cases reported

Particulars	December 31, 2020	December 31, 2019	March 31, 2020	March 31, 2019	March 31, 2018
No. of fraud cases reported during the period/ year	98	61	87	71	84
Amount involved in fraud	2.71	1.29	3.57	1.50	3.60
Provisions created against fraud cases (adjusted for recovery)	1.37	0.18	0.98	0.20	0.30

### 35. Penalties levied by the RBI

During the period/ year ended December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and March 31, 2018, no penalty was imposed by RBI on the Bank.

### 36. Letter of Comfort

The Bank has not issued letter of comfort during the period/ year ended December 31, 2020, December 31, 2019 March 31, 2020, March 31, 2019 and 31 March 2018.

### 37. Investor education and protection fund

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank for the period/ year ended December 31, 2020, December 31, 2019, March 31, 2020, March 31, 2019 and 31 March 2018.

### 38. Proposed dividend

As per the RBI circular dated April 17, 2020, the Banks shall not make any further dividend pay-outs from profits pertaining to the financial year ended March 31, 2020 until further instruction, with a view that Banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. The Board of Directors of the Bank has not proposed any final dividend for the year ended March 31, 2020.

As per our report of even date  
**For MSKC & Associates**  
**(Formerly known as R.K. Kumar & Co.)**  
**Chartered Accountants**  
Firm Registration No: 001595S

**For and on behalf of the Board of Directors**

**Tushar Kurani**  
Partner  
Membership No: 118580

**R. Ramachandran**  
Chairman  
DIN-01953653

**R. Baskar Babu**  
Managing Director and  
Chief Executive Officer  
DIN-02303132

**Jyotin Mehta**  
Director  
DIN-00033518

Place: Navi Mumbai  
Date: February 08, 2021

**Geeta Krishnan**  
Company Secretary

**Bhavin Damania**  
Chief Financial Officer

## OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

### Accounting Ratios

	As at and for period ended December 31, 2020	As at and for period ended December 31, 2019	As at and for Year Ended March 31, 2020	As at and for Year Ended March 31, 2019	As at and for Year Ended March 31, 2018
Basic earnings per share [Refer Note (a)(i) and (c) below]	6.19	15.49	13.41	13.35	1.76
Diluted earnings per share [Refer Note (a)(ii) and (c) below]	6.05	15.43	13.30	13.16	1.76
Return on Networth ([Refer Note (a)(ii) and (d) below]	4.61%	11.78%	10.43%	10.27%	2.13%
Net assets value per basic equity share ([Refer Note (a)(iv) and (d) below]	133.54	124.58	123.13	107.91	79.78
EBITDA [Refer Note (b) below]	799.13	1,833.63	1,641.60	1,483.18	225.00

The figures disclosed in this section are derived from the Restated Financial Statements

### Note

(a) Ratios have been computed as per the following formulas

(i) Basic earning per share	=	<u>Net profit, as restated, attributable to equity shareholders</u> Weighted average number of basic Equity Shares outstanding during the period/year
(ii) Diluted earning per share	=	<u>Net profit, as restated, attributable to equity shareholders</u> Weighted average number of diluted Equity Shares outstanding during the period/year
(iii) Return on Net Worth (%)	=	<u>Net Profit, as restated, attributable to equity shareholders</u> Net Worth at the end of the period/year
(iv) Net asset value per share ( Basic)	=	<u>Net asset means total assets minus total liabilities excluding revaluation reserves.</u> Total number of Equity Shares outstanding at the end of the period/year

(b) Earnings before interest, tax, depreciation and amortisation (EBITDA) has been arrived at by adding back depreciation and tax expense to the net profit appearing in annexure II - restated summary statement of profit and loss

The following table sets forth a reconciliation of Bank's EBITDA to profit for the years:

Particulars	Period ended December 31, 2020	Period ended December 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit	548.66	1,266.78	1,111.98	903.98	114.92
Add:					
Depreciation	98.56	50.00	97.84	55.94	46.64
Current tax ( included in Provision and Contingencies)	321.79	510.20	620.08	623.35	107.23
Deferred tax ( included in Provision and Contingencies)	(169.88)	6.65	(188.30)	(100.09)	(43.79)
EBITDA	799.13	1,833.63	1,641.60	1,483.18	225.00

(c) Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" ("AS 20") as notified under Section 133 of the Companies Act 2013.

(d) "Net worth" means sum of paid up equity share capital, share premium and all reserves and surplus excluding revaluation reserve, as appearing in the Restated Financial Statements for the respective years

As per our report of even date

For and on behalf of the Board of Directors

**For MSKC & Associates**  
**Chartered Accountants**  
Firm Registration No: 001595S

**Tushar Kurani**  
Partner  
Membership No: 118580

**R. Ramachandran**  
Chairman  
DIN-01953653

**R. Baskar Babu**  
Managing Director and  
Chief Executive Officer  
DIN-02303132

**Jyotin Mehta**  
Director  
DIN-00033518

Place: Navi Mumbai  
Date: February 08, 2021

**Geeta Krishnan**  
Company Secretary

**Bhavin Damania**  
Chief Financial Officer

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Addendum to the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Addendum to the Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR BANK

**Ramachandran Rajaraman**

*Part-Time Chairperson and Independent Director*

**Mrutunjay Sahoo**

*Independent Director*

**Jyotin Kantilal Mehta**

*Independent Director*

**Meena Hemchandra**

*Independent Director*

**John Arunkumar Diaz**

*Independent Director*

**Venkatesh Natarajan**

*Investor Director*

**Ranjit Shah**

*Investor Director*

**Aleem Remtula**

*Investor Director*

**Baskar Babu Ramachandran**

*Managing Director and Chief Executive Officer*

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR BANK

**Bhavin Damania**

*(Chief Financial Officer)*

**Place:** Navi Mumbai

**Date:** February 8, 2021

## **DECLARATION BY INTERNATIONAL FINANCE CORPORATION**

International Finance Corporation confirms and certifies that all statements, disclosures and undertakings specifically made by it in this Addendum to the Draft Red Herring Prospectus in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. International Finance Corporation assumes no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

### **SIGNED FOR AND ON BEHALF OF INTERNATIONAL FINANCE CORPORATION**

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**Name:** Hemalata Mahalingam

**Designation:** Regional Industry Manager South Asia, Financial Institutions Group

**Place:** Mumbai

**Date:** February 8, 2021

## **DECLARATION BY GAJA CAPITAL FUND II LIMITED**

Gaja Capital Fund II Limited confirms and certifies that all statements, disclosures and undertakings specifically made by it in this Addendum to the Draft Red Herring Prospectus in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Gaja Capital Fund II Limited assumes no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

## **SIGNED FOR AND ON BEHALF OF GAJA CAPITAL FUND II LIMITED**

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**Name:** Ashraf Ramtoola

**Designation:** Director

**Place:** Mauritius

**Date:** February 8, 2021

#### **DECLARATION BY DWM (INTERNATIONAL) MAURITIUS LTD**

DWM (International) Mauritius Ltd confirms and certifies that all statements, disclosures and undertakings specifically made by it in this Addendum to the Draft Red Herring Prospectus in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. DWM (International) Mauritius Ltd assumes no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

#### **SIGNED FOR AND ON BEHALF OF DWM (INTERNATIONAL) MAURITIUS LTD**

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**Name:** Edward Marshall

**Designation:** Director

**Place:** New York

**Date:** February 8, 2021

## **DECLARATION BY HDFC HOLDINGS LIMITED**

HDFC Holdings Limited confirms and certifies that all statements, disclosures and undertakings specifically made by it in this Addendum to the Draft Red Herring Prospectus in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. HDFC Holdings Limited assumes no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

## **SIGNED FOR AND ON BEHALF OF HDFC HOLDINGS LIMITED**

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**Name:** Satrajit Bhattacharya

**Designation:** Compliance Officer

**Place:** Mumbai

**Date:** February 8, 2021

#### **DECLARATION BY IDFC FIRST BANK LIMITED**

IDFC FIRST Bank Limited confirms and certifies that all statements, disclosures and undertakings specifically made by it in this Addendum to the Draft Red Herring Prospectus in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. IDFC FIRST Bank Limited assumes no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

#### **SIGNED FOR AND ON BEHALF OF IDFC FIRST BANK LIMITED**

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**Name:** Satish Gaikwad

**Designation:** Legal Head & Company Secretary

**Place:** Mumbai

**Date:** February 8, 2021



## **DECLARATION BY KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED**

Kotak Mahindra Life Insurance Company Limited confirms and certifies that all statements, disclosures and undertakings specifically made by it in this Addendum to the Draft Red Herring Prospectus in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Kotak Mahindra Life Insurance Company Limited assumes no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

## **SIGNED FOR AND ON BEHALF OF KOTAK MAHINDRA LIFE INSURANCE COMPANY LIMITED**

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**Name:** Pradeep Kumar Mahapatro

**Designation:** Executive Vice President

**Place:** Mumbai

**Date:** February 8, 2021

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**Name:** Cedric Fernandes

**Designation:** CFO

**Place:** Mumbai

**Date:** February 8, 2021

**DECLARATION BY GAJA CAPITAL INDIA AIF TRUST**

**(REPRESENTED BY ITS TRUSTEE, GAJA TRUSTEE COMPANY PRIVATE LIMITED)**

Gaja Capital India AIF Trust (represented by its trustee, Gaja Trustee Company Private Limited) confirms and certifies that all statements, disclosures and undertakings specifically made by it in this Addendum to the Draft Red Herring Prospectus in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. Gaja Capital India AIF Trust (represented by its trustee, Gaja Trustee Company Private Limited) assumes no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

**SIGNED FOR AND ON BEHALF OF GAJA TRUSTEE COMPANY PRIVATE LIMITED (REPRESENTING GAJA CAPITAL INDIA AIF TRUST)**

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**Name:** Abhinav Jain

**Designation:** Director

**Place:** Mumbai

**Date:** February 8, 2021

## DECLARATION

We, Americorp Ventures Limited, Polaris Banyan Holding Private Limited, Apneet Kahlon and Chintan Harkantbhai Trivedi, severally and not jointly, hereby confirm and certify that all statements, disclosures and undertakings specifically made by us in this Addendum to the Draft Red Herring Prospectus in relation to ourselves, as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements including any of the statements made or confirmed by or relating to the Bank, any other Selling Shareholder or any other person(s) in this Addendum to the Draft Red Herring Prospectus.

Signed on behalf of Americorp Ventures Limited, Polaris Banyan Holding Private Limited, Apneet Kahlon and Chintan Harkantbhai Trivedi, by their power of attorney holders.

**SIGNED BY CHINTAN SHAH AND NARAYAN RAO (as the power of attorney holders for Americorp Ventures Limited, Polaris Banyan Holding Private Limited, Apneet Kahlon and Chintan Harkantbhai Trivedi)**

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**Narayan Rao**

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**Chintan Shah**

**Place:** Mumbai

**Date:** February 8, 2021