



SURYODAY

A BANK OF SMILES

SURYODAY SMALL FINANCE BANK LIMITED

(Formerly Suryoday Micro Finance Limited)

Date: 24th October 2017

To
BSE Limited
P.J. Towers
Dalal Street
Mumbai-400 001

Dear Sir/Madam,

Sub: Un-Audited Financial Results for the half year ended 30th September 2017 pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for Debt Securities, please find enclosed the Un-Audited Financial Results for the half year ended 30th September 2017 along with Limited Review Report issued by Statutory Auditors of the Bank.

The meeting commenced at 9.30 A.M. and concluded at 2.45 P.M.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For **Suryoday Small Finance Bank Limited**
[Formerly Suryoday Micro Finance Limited]

J. Amlekar
Assistant Company Secretary



SURYODAY SMALL FINANCE BANK LIMITED (FORMERLY KNOWN AS SURYODAY MICRO FINANCE LIMITED)

Regd. Off: 1101, Sharada Terraces, Plot No. 65 Sector -11 CBD Belapur , Navi Mumbai - 400614

CIN No U65923MH2008PLC261472

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2017

Particulars	(Rs. in lakh)		
	Half year ended 30-Sept-2017	Half year ended 30-Sept-2016	Year ended 31-Mar-2017
	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	12,001	12,600	24,370
(a) Interest/ discount on advances/ bills	10,415	12,230	22,694
(b) Income on investments	1,216	-	883
(c) Interest on balances with Reserve Bank of India and other inter bank funds	370	370	783
(d) Others	-	-	10
2. Other Income	1,515	705	1,109
3. Total Income (1+2)	13,516	13,305	25,479
4. Interest Expended	5,918	5,702	11,521
5. Operating Expenses (i)+(ii)	5,859	4,546	10,178
(i) Employees cost	3,897	2,876	6,213
(ii) Other operating expenses	1,962	1,670	3,965
6. Total Expenditure (4+5) excluding provisions and contingencies	11,777	10,248	21,699
7. Operating Profit before Provisions and Contingencies (3-6)	1,739	3,057	3,780
8. Provisions (other than tax) and Contingencies	1,267	42	1,395
9. Exceptional Items	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	472	3,015	2,385
11. Tax expense	180	1,069	875
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	292	1,946	1,510
13. Extraordinary items (net of tax expense)	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	292	1,946	1,510
15. Paid-up equity share capital (face value of Rs.10 each)	6,424	5,134	6,406
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	-	-	43,651
17. (a) Networth	50,574	34,595	50,057
(b) Networth (Net off deferred expenditure /intangible assets)	48,848	33,301	48,468
18. Analytical Ratios			
(i) Capital Adequacy Ratio	43.05%	37.08%	53.62%
(ii) Earnings Per Share (EPS)-Basic (Not Annualised)	0.91	4.21	3.01
Earnings Per Share (EPS)-Diluted (Not Annualised)	0.87	4.10	2.90
(iii) Debt equity ratio	1.52	2.34	2.04
(iv) NPA Ratios			
- Gross/Net NPA	1.51	5.19	1.65
- Gross NPA %	7.96%	0.29%	6.15%
- Net NPA %	5.39%	0.06%	3.80%
v) Return on Assets	0.19%	1.63%	1.08%



Notes:

1. The results for the half year ended 30 September 2017 has been reviewed by the audit committee and approved by the Board of Directors at its meeting held on 24 October 2017 and was subject to a 'Limited Review' by the statutory auditors of the Bank.
2. Pursuant to the resolution passed by the shareholders at the Annual General Meeting held on 22 September 2016 and the issue of small finance bank license by Reserve Bank of India (RBI) on 26 August 2016, Suryoday Micro Finance Limited (the 'Company') was converted into a small finance bank with effect from 23 January 2017. Pursuant to this change, the Company surrendered its NBFC-MFI license. As a result, the previous period's figures are not strictly comparable with those of the current year.
3. Suryoday Small Finance Bank (the 'Bank') is included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification No.DBR.NBD.(SFB-Suryoday).No. 766/16.13.216/2017-18 dated 24 July 2017 and published in the Gazette of India (Part III - Section 4) dated 2 September 2017. Notification for inclusion in second schedule was published on 21 September 2017 on RBI's website and can be accessed on following link: (<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11125&Mode=0>).
4. During the half year ended 30 September 2017, 1,72,350 equity shares of face value of Rs. 10 each were exercised by the employees under employee stock option scheme.
5. The previous due date of interest on non convertible debenture was 29 September 2017 & the same was paid on the due date. The next due date of interest of non convertible debenture is 30 October 2017.
6. Privately placed redeemable non-convertible secured debentures are secured against hypothecation of pool of loans with a security cover of 1 to 1.10 times of the outstanding of respective debentures. The Bank has not raised non-convertible debentures after conversion into a small finance bank.
7. The Credit Analysis & Research Limited (CARE) have assigned long term facility rating of 'A-' to the Bank.
8. RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards- Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.suryodaybank.com/regulatory-disclosure>. The disclosures have not been subjected to audit or review by the statutory auditors.
9. Earnings per share for the half year ended 30 September 2017 and 30 September 2016 have been calculated for six months and not annualised.
10. Return on Assets has been computed as a percentage of profit after tax to monthly average total assets and not annualised for half year ended results.
11. Capital Redemption Reserve / Debenture Redemption Reserve: Debenture Redemption Reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules, 2014.
12. Outstanding Redeemable Preference Shares (quantity and value): Nil.
13. Loan processing fees have been reclassified from interest income to other income. Previous period/year's figures have been re-grouped/re-classified wherever necessary to correspond with the current period/year's presentation.



Statement of Assets and Liabilities is as below

Particulars	(Rs. in lakh)	
	As at 30-Sept-2017 Unaudited	As at 31-Mar- 2017 Audited
CAPITAL AND LIABILITIES		
Capital	6,424	6,406
Reserves and Surplus	44,150	43,651
Deposits	26,481	2,206
Borrowings	76,892	102,158
Other Liabilities and Provisions	6,272	6,000
	160,219	160,421
ASSETS		
Cash and Balances with Reserve Bank of India	3,586	2,667
Balances with banks and money at call and short notice	8,454	10,725
Investments	28,197	59,393
Advances	113,659	81,966
Fixed Assets	1,344	778
Other Assets	4,979	4,892
	160,219	160,421



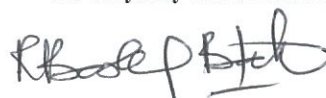
14. Segment information in accordance with the extant RBI guidelines and Accounting Standard on Segment Reporting (AS 17):

Sr. No.	Particulars	(Rs. in lakh)	
		Half year ended 30-Sept-2017 Unaudited	Year ended 31-Mar-2017 Audited
1	Segment Revenue		
a	Retail banking	13,422	24,739
b	Treasury	1,394	729
c	Other banking operations	-	11
	Total	14,816	25,479
	Less: Inter segment Revenue	(1,300)	-
	Income from operations	13,516	25,479
2	Segment Results		
a	Retail banking	456	1,877
b	Treasury	47	612
c	Other banking operations	-	11
d	Unallocated	(31)	(115)
	Total Profit Before Tax	472	2,385
3	Segment Assets		
a	Retail banking	126,339	96,363
b	Treasury	32,426	62,898
c	Other banking operations	-	-
d	Unallocated	1,454	1,160
	Total	160,219	160,421
4	Segment Liabilities		
a	Retail banking	107,139	110,316
b	Treasury	2,506	-
c	Other banking operations	-	15
d	Unallocated	-	33
	Total	109,645	110,364
5	Capital employed [i.e. Segment Assets (-) Segment Liabilities]		
a	Retail banking	19,200	(13,953)
b	Treasury	29,920	62,898
c	Other banking operations	-	(15)
d	Unallocated	1,454	1,127
	Total	50,574	50,057

Notes:

1. The Bank does not have any operations under wholesale banking during the period ended 30 September 2017. Accordingly, wholesale banking segment is not disclosed in the table above.
2. Until 22 January 2017, the Company operated in a single reportable segment of 'Micro Credit' in accordance with Accounting Standard 17 - Segment Reporting. Accordingly, segment information for period ended 30 September 2016 is not disclosed in table above.

For Suryoday Small Finance Bank Limited.

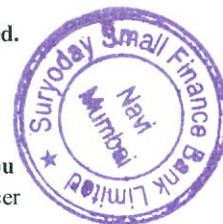


R. Baskar Babu

Managing Director & Chief Executive Officer

Place: Puducherry

Date: October 24, 2017



B S R & Associates LLP

Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Review report

To the Board of Directors of Suryoday Small Finance Bank Limited

1. We have reviewed the accompanying statement of Unaudited Financial Results of Suryoday Small Finance Bank Limited (the 'Bank') for the half year ended 30 September 2017 (the 'Statement') being submitted by the Bank pursuant to the requirement of Regulation 52 of Securities and Exchange Board of India as amended till date (Listing Obligations and Disclosure requirements) Regulations, 2015 (the 'SEBI Regulations'). The disclosures relating to "Pillar 3 under Basel III Capital Regulations" and those relating to "Leverage Ratio", "Liquidity Coverage Ratio" under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement have not been reviewed by us.

Management's Responsibility

2. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank in their meeting held on 24 October 2017. Our responsibility is to issue a report on the Statement based on our review.

Auditors' Responsibility

3. We conducted our review in accordance with the Standard on Review Engagement ('SRE') 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel responsible for financial and accounting matters, and analytical procedures applied to financial data and thus provides less assurance than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Opinion

4. Based on our review conducted as mentioned above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of SEBI Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by RBI in respect of income recognition, asset classification, provisioning and other related matters.



Emphasis of Matter

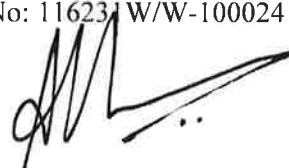
5. We draw attention to Note 2 to the Statement which describes the grant of small finance bank license by Reserve Bank of India (RBI) on 26 August 2016, consequently Suryoday Micro Finance Limited converted itself into a small finance bank with effect from 23 January 2017. The Bank has accordingly, changed some of its accounting policies to ensure compliance with banking regulations issued by RBI from time to time and practices that are prevalent in the banking industry. As a result, figures for half year ended 30 September 2016 are not strictly comparable with those of figures for the half year ended 30 September 2017.

Our Opinion is not modified in respect of this matter

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No:109503

Mumbai
24 October 2017