



**SHIVALIK**  
Shivalik Small Finance Bank

# Banking Beyond Boundaries

POWERED BY  
DIGITAL

Annual Report  
2024-25

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06

OUR LOAN BOOK GREW BY AN IMPRESSIVE 40% DURING THE YEAR, SUPPORTED BY STRONGER IN-HOUSE SOURCING TEAMS AND LONGER-TENOR SECURED BUSINESS LOANS.

08

OUR DIGITAL STRATEGY IS THE HEART OF SHIVALIK 2.0, DELIVERING INTUITIVE, SECURE AND CUSTOMER-FOCUSSED FINANCIAL SOLUTIONS.



# Banking Beyond Boundaries

POWERED BY DIGITAL

■ ■ ■

*At Shivalik Small Finance Bank, we believe banking should transcend physical, social and economic barriers. We are committed to delivering accessible, inclusive and technology-driven financial services to every customer.*

Building on our 25-year legacy and four years as India's first small finance bank, we continue to harness digital innovation to expand opportunities and drive financial inclusion. Today, with nearly 1 million customers and a growing network across 11 states and 88 districts, and a robust digital ecosystem, we are enabling individuals, small businesses and underserved communities across Bharat and India to participate more meaningfully in India's economic growth.

Our digital-first approach – has redefined how customers save, borrow and transact. These innovations empower

MSMEs, farmers, women entrepreneurs and rural households with simpler, pure, secure and affordable banking. At the same time, our physical presence ensures that our services remain deeply rooted in local communities.

With *"Banking Beyond Boundaries – Powered by Digital"*, Shivalik reaffirms its mission of creating a banking experience that is borderless, inclusive, and future-ready – delivering not just financial access, but real opportunities for progress and prosperity.



# Our Banking Heritage

Shivalik SFB proudly celebrates four years as India's first Small Finance Bank, evolving from a 25-year legacy of being an Urban Co-operative bank. Driven by a commitment to sustainability and customer-centricity, we leverage advanced technology, including cloud-based architecture to deliver innovative solutions.

Our mission is to be the preferred banking partner for individuals and small businesses, offering inclusive financial services that empower communities. We uphold the highest standards of safety, security and ethical governance driving financial inclusion across India.

9,80,000+  
Unique Customers

192  
Branches + exclusive banking outlets

## VISION

To be a trusted financial services provider and model employer focussing on small and underserved segments through the delivery of digitally focussed, affordable products and differentiated customer experience.

## VALUES



Strong relationships



Focussed on future readiness



Socially responsible



Being ethical and moral

## PURPOSE

- Socially responsible impact lender
- Digital-first approach across products and service offerings
- Financial inclusion and increasing financial literacy
- Innovator in financial products and processes
- Aim to become a complete solution provider to our customers
- Environment, social and governance (ESG) compliant
- Create value for all stakeholders - Society, Employees, Customer, Organisation and Shareholders

## HIGHLIGHTS

₹ 3,161 crore  
Deposits

94.0%  
CD Ratio

₹ 2,970 crore  
Advances

20.95%  
Capital Adequacy

₹ 166.9 crore  
Net Interest Income

1 million  
Customers served till date

5.46%  
NIM

831  
No. of employees

1.51%  
NNPAs

79  
Branches

2.7%  
GNPA

114  
Exclusive BC Branches

97.63%  
PSL

260  
Shareholders



MILESTONES

# A Journey of Excellence

From our beginnings as an Urban Co-operative Bank in 1998 to our transformation into a Small Finance Bank in 2021, our journey has been one of purposeful growth and unwavering commitment. As we mark four years of banking operations, we continue to stay true to our mission – empowering the underserved while steadily reinforcing the foundations for stronger future.

- Launched first branch in Saharanpur on September 5, 1998
- Achieves full branch computerisation, the first in Saharanpur district
- Becomes the first and only multi state co-operative bank of Uttar Pradesh, with acquisition in Dhar, Madhya Pradesh
- Becomes the first co-operative bank in North India to start issuing RuPay ATM cum Debit Card
- Launched SMS Banking, enabling easier accessibility
- Launches internet banking & mobile banking
- Becomes enrolled with Direct Benefit Transfer (DBT)

- Sets up centralised account opening and loan appraisal function
- Launches Account opening through m-ATMs
- Implements e-KYC authentication
- Goes Live on IMPS and UPI
- Tie-up with Bill Desk and BBPS (Bharat Bill Payment System)
- Receives in-principle approval from RBI to transition to a Small Finance Bank (SFB)
- Goes Live on Finacle Core Banking Solutions (CBS) platform and mobile and Internet banking digital suite by Infosys

- Becomes the first small finance bank in the country to transition from a UCB
- Completes maiden equity raise from global venture capital firms – Accel and Quona
- Receives the Finacle award for initiative 'Technology led transition to a small finance bank'
- Launches Tax Saver Fixed Deposits
- Introduces ESOP policy for employees
- Achieves Great Place to Work certification

- Launched fully Digital Fixed Deposit for existing and new customers
- Introduced V-KYC
- Launched WhatsApp Banking
- Launched SDK-based customer onboarding
- Automation of regulatory reporting
- Launched Mobile Banking App 2.0 (mshiff)
- Opened 98.5% Savings Account digitally
- Financed over 1,500 EVs
- Provided financing access to 1,200+ individual farmers
- 84% increase in women hiring since SFB go-live
- Launched Digital FD on standing instructions
- Personalised contactless NCMC debit card
- Launched UPI lite
- Automated key service requests
- Started three-wheeler EV financing
- Enhanced features on Shivalik mobile banking app
- Increased touchpoints by 17.68%
- Won the 2025 Ambition Box Employee Choice Award as the Top-rated Bank in the Mid-Sized Bank Category
- Financed over 3,000 electric vehicles (EVs)
- Processed 95.28% of digital transactions processed through UPI
- Implemented 100% digital onboarding using e-KYC and e-signature technologies in Agriculture Loans
- 125% increase in women hiring since SFB go-live



## CHAIRMAN'S MESSAGE



# Message from the Chairman

Dear Shareholders,

As I reflect on the fiscal year 2024-25, I am pleased to share my thoughts on the evolving landscape of the Indian banking sector, particularly within the small finance banking segment, and highlight the remarkable journey of Shivalik Small Finance Bank.

### Economic Context and Industry Performance

Despite geopolitical challenges and a prolonged high-interest rate cycle, India remains one of the world's fastest-growing large economies. Following 6.5% GDP growth in FY25, various agencies anticipate continued momentum with projected growth rates of 6.4% - 6.5% in FY26. Strong domestic demand, progressive policy reforms and increasing digitalisation continue to drive the growth momentum, providing a robust foundation for the financial services sector.

The BFSI industry reflected this mixed environment. While credit expansion moderated for the larger banks, the SFBs recorded an estimated advances growth of 18-20% and deposit growth of 20-22% in FY 2024-25. SFBs continue to play a pivotal role in driving financial Inclusion through high-yield lending, granular deposits, and innovative technology-led operations.

However, the sector has encountered various challenges. Asset quality deteriorated across several SFBs, particularly in unsecured microfinance portfolios, and competition for deposits intensified as households shifted savings toward mutual funds and equities. Against this backdrop, the regulatory environment continued to evolve, placing greater emphasis on governance, cybersecurity and consumer protection.

Technology has emerged as a defining enabler for small finance banks, with AI applications spanning fraud detection, predictive analytics for risk profiling, back-office processes automation and biometric authentication for enhanced customer convenience.

### Shivalik's Performance Highlights

Against this backdrop, Shivalik delivered a resilient and balanced performance in FY25. Our key wins during the year reflect the strength of our franchise.

**Deposit excellence:** Shivalik's CASA ratio at 22% continues to be among the top four within the Small Finance Bank sector, while maintaining one of the lowest savings account costs at under 4%. Our bulk deposits also rank in the top three among peers, underlining the granularity and trust of our depositor base. Most importantly, we continue to enjoy the second-lowest cost of funds among all SFBs, a critical competitive advantage in today's competitive landscape.

**Strategic lending focus:** We sharpened our focus on secured lending to small businesses and retail customers for income-generating activities, rather than consumption-driven credit. This helped us safeguard margins and asset quality. Our secured loan book increased to 87% in FY25, up from 77% in FY24, providing enhanced stability and risk moderation while many peers grappled with stress in unsecured portfolios.

**Robust growth:** Our loan book grew by an impressive 40% during the year, supported by stronger in-house sourcing teams and longer-tenor secured business loans. We further accelerated our gold loan business and continued to build resilience by moderating our exposure to microfinance, which is now less than 10% of our overall portfolio. From July 2024 onwards, we secured cover for microfinance loans under the Credit Guarantee Fund for Micro Units (CGFMU) scheme, enabling us to provide collateral-free loans to small and micro businesses – thereby promoting entrepreneurship while prudently managing risk.

**Risk management:** We also strengthened our cyber and information security controls to counter emerging threats. We actively deployed improved KYC, biometric e-KYC-based account opening, and enhanced transaction monitoring to mitigate fraud and ensure compliance. Technology remains at the core of

Shivalik's transformation. We continued to strengthen our middleware and processing infrastructure to speed-up transactions and improve customer experience. Initiatives such as AI-driven transaction monitoring, predictive risk profiling, and enhanced digital banking solutions reflect our focus on innovation.

**Collaborations:** While fintech players are often perceived as competitors, we see them as potential collaborators. By partnering with fintechs, we can leverage complementary strengths in innovation and customer engagement, while bringing in our trust, banking experience, and regulatory compliance. We believe the future of banking lies in such collaborative ecosystems.

**Our commitment extends beyond traditional banking to creating meaningful impact in every corner of Bharat and India.**

### Navigating Challenges

Despite headwinds such as high delinquency in microfinance, intense competition for deposits, and liquidity pressures, Shivalik has responded with prudence, resilience, and agility. We maintained our focus on underserved markets where banking penetration remains low, maintained granular

deposits, improved productivity, and kept costs in check. We want to say that bank also worked on refinance and including refinance the credit deposit ratio was in 80% to 90% range.

As we enter the new fiscal year, I extend my deepest appreciation to every stakeholder who has been instrumental in Shivalik Bank's remarkable journey. To our valued customers who have placed their trust in us, our dedicated partners who have walked alongside us, our committed employees who form the backbone of our success, and our shareholders who have believed in our vision – your collective support has been the cornerstone of our achievements.

Together, we are pioneering change. Our commitment extends beyond traditional banking to creating meaningful impact in every corner of Bharat and India. As we forge ahead, we remain steadfast in our mission to democratise financial services, empower communities, and contribute to the nation's economic transformation.

The future holds immense promise, and with your continued partnership, Shivalik Bank will continue to set new benchmarks in excellence, innovation, and inclusive growth. Together, we will build a legacy that transcends banking – one that creates lasting value and prosperity for generations to come.

Yours sincerely,

**Shankar Aggarwal**  
Chairman





# Message from the Managing Director & CEO

As India strides confidently towards becoming the third-largest economy, Shivalik Small Finance Bank continues to make its contribution as a catalyst for inclusive growth and digital empowerment. Our journey, rooted in transformation from a cooperative bank into a small finance bank, continues to shape the vision for Shivalik 2.0 – a commitment to redefining banking excellence by prioritising underserved communities, leveraging cutting-edge technology and creating sustainable prosperity at the grassroots level. In FY25, we took significant strides in strengthening our position in the small finance banking sector, delivering value to our customers, partners, employees and communities while navigating a challenging economic landscape.

## Milestone

This year marked a pivotal moment for Shivalik with ₹100 crore in equity investments by global venture capital firm Lightspeed and Sanjay Nayyar backed Sorin Investments, with continued support from our esteemed existing investors, Accel and Quona Capital. This capital infusion underscores the confidence in our vision to empower MSMEs and underserved communities through innovative, digital-first banking solutions. The funds will enhance our technological infrastructure, expand our product offerings, and strengthen our team, enabling us to deepen our impact and drive financial inclusion across Bharat.

## Financial Performance

In FY25, Shivalik achieved robust financial performance despite macroeconomic challenges including prolonged high-interest rate cycle and sluggish credit demand. Deposits grew by 31% to ₹ 3,161 crore, reflecting our focus on building granular deposit base through digital innovations like the UPI Autopay feature for fixed deposits and introduction of standing instructions for monthly FDs. Cost of deposits inched up to 6.9%, as RBI’s rate cuts started only towards the end of the fiscal year. Total advances surged 40% to ₹ 2,935 crore, driven by our emphasis on secured lending, which increased from 77% to 87% of our portfolio, safeguarding our net interest margin amidst a 49 bps decline due to industry-wide stress in microfinance.

Total income rose by 37% to ₹ 423 crore, fuelled by a 65% surge in fee and growth in insurance income.

The banks CRAR and Tier 1 CRAR stood at 20.95% and 18.37% respectively as on March 31, 2025.

37%

YoY Growth in Revenue

23%

YoY Growth in Net Interest Income

65%

YoY Increase in Other Income

## Strategic Priorities and Growth Drivers

Our strategic priorities for Shivalik 2.0 centre on serving small businesses and retail customers with digital-first approach, supported by hyperlocal presence and secured lending. We expanded our footprint from 164 to 193 touchpoints, comprising 79 own branches and 114 exclusive business correspondents (BC) branches across 88 districts and 11 states as of March 31, 2025. Our cluster-centric expansion strategy, built on hub and spoke model with branches at district headquarters supported by BC branches,

has deepened our reach in northern states while laying the foundation of selective entry into western and southern markets.

Lending remained a key growth driver. We strengthened our branch channel by forming a dedicated direct sales team for housing loans, loans against property and gold loans, enhancing market outreach. We launched new initiatives under our agri vertical, including partnerships for dairy business, and cattle purchase loans and expanded distribution in electric commercial vehicle financing. On the deposit side, innovations like the Digital Fixed Deposit with UPI Auto pay and auto cut-off features empowered customers to save systematically, while our personalised contactless platinum and classic cards, equipped with National Common Mobility Card (NCMC) functionality, offered seamless transit and retail payment solutions.

Our strategic priorities for Shivalik 2.0 centre on serving small businesses and retail customers with digital-first approach, supported by hyperlocal presence and secured lending.



Our analytics initiatives have been transformative, leveraging predictive AI models to detect high-risk and mule accounts, strengthening fraud detection.

### Digital Strategy

Our digital strategy is the heart of Shivalik 2.0, delivering intuitive, secure and customer-focussed financial solutions. By leveraging cutting-edge technology, we aim to simplify banking, enhance accessibility and drive financial inclusion. In FY25, we achieved significant milestones including the launch of UPI Lite for seamless small value transactions, integration with Bharat Connect for convenient loan EMI collections and an API-based e-mandate solution for recurring payments via debit cards and Aadhaar. The migration to a new UPI switch optimised costs and enhanced flexibility, with 95.28% of digital transactions processed through UPI and 69.74% of customers actively transacting. Enhancements to our mshIFFt mobile app, including expanded bill payment categories and enabling of transactions from Overdraft (OD) accounts, saw 21% of savings account customers being onboarded on the app. 60% of these customers are active users on the app. Branch services automation streamlined routine tasks, reducing wait times and improving customer satisfaction.

Our analytics initiatives have been transformative, leveraging predictive AI models to detect high-risk and mule accounts, strengthening fraud detection. A business rule engine (BRE) for underwriting commercial vehicle and gold loans reduced turnaround times and manual intervention, boosting productivity. We are also building data warehouse to enhance risk assessments and customer insights, while exploratory generative AI projects in document

extraction and chat support promise to further simplify the operations, with strict adherence to data privacy and compliance standards.

### Fintech Partnerships

Strategic fintech partnerships have been instrumental in expanding our reach and efficiency. Collaborations with platforms like Arya.ag and Dvara E-Registry enabled us to tap into non-traditional and remote customer bases through business correspondent models, while digital platforms facilitated fully DIY fixed deposit bookings, enhancing brand visibility nationwide. Fintech integrations streamlined onboarding with biometric eKYC, e-signatures, and e-NACH, accelerating loan disbursements and improving operational efficiency.

### Addressing Challenges

The year presented challenges, including a tough macroeconomic environment, high delinquency in microfinance, and rising cybersecurity risks. We responded by increasing our secured lending from 77.45% in the last fiscal to 86.91% by March 2025, and securing Credit Guarantee Fund for Micro Units (CGFMU) cover for eligible loans. Enhanced KYC, transaction monitoring, and strengthened information security controls mitigated fraud and cyber risks. Our focus on secured lending for income-generating activities, coupled with in-house sourcing teams for longer-tenor loans, drove a 40% growth in our loan book. Recovery efforts resulted in a significant reduction in non-performing assets (NPAs), with GNPA at 2.7% and Net NPA at 1.7%.

As we move into FY26, our focus will remain on deepening financial inclusion, improving customer experience, and building resilience against evolving risks.

### Sustainability and Workforce

Sustainability remains integral to our mission, aligned with the United Nations Sustainable Development Goals. We financed over 3,000 electric vehicles, building a ₹150 crore green portfolio, and reduced power consumption by 4–5% through energy-efficient measures like inverter ACs and digital workflows. Tree plantation drives and reduced paper usage further underscored our environmental commitment. Our 831-strong workforce, with 17.3% women representation, drives our success through a culture of empathy and excellence. Initiatives like the “Invictus Award,” health check-up camps, and role-based learning journeys, alongside onboarding 26% fresh graduates and five differently-abled team members, maintained a low 12% regrettable attrition rate. We are proud to have won the ABECA 2025 Ambition Box Employee Choice Award as the Top-Rated Bank in the Mid-Sized Bank Category.

### FY26 Strategic Roadmap

In FY26, we will focus on lowering our cost of funds through improved CASA and strategic partnerships in forex and NRI banking. On the lending side, we will enhance in-house loan origination, further strengthening our gold loan business, and launching Corporate and Retail Internet Banking platforms. Cross-selling, bundling insurance products, and deepening AI-driven hyper-personalisation will further elevate customer experiences. Our high-level vision is to build a

resilient, digital-first bank that empowers small businesses, underserved communities, and women entrepreneurs, contributing to India’s inclusive growth.

In conclusion, Shivalik stands on strong foundations – prudent risk management, a secured lending bias, industry-leading deposit metrics, and a forward-looking technology strategy. As we move into FY26, our focus will remain on deepening financial inclusion, improving customer experience, and building resilience against evolving risks. With the continued trust of our stakeholders and the dedication of our teams, I am confident that Shivalik will strengthen its position as a leading small finance bank in India.

We extend our heartfelt gratitude to our customers, partners, employees, and shareholders for their unwavering trust and support. Together, we will continue to redefine banking, delivering value and fostering prosperity across Bharat.

Warm Regards,

**Anshul Swami**

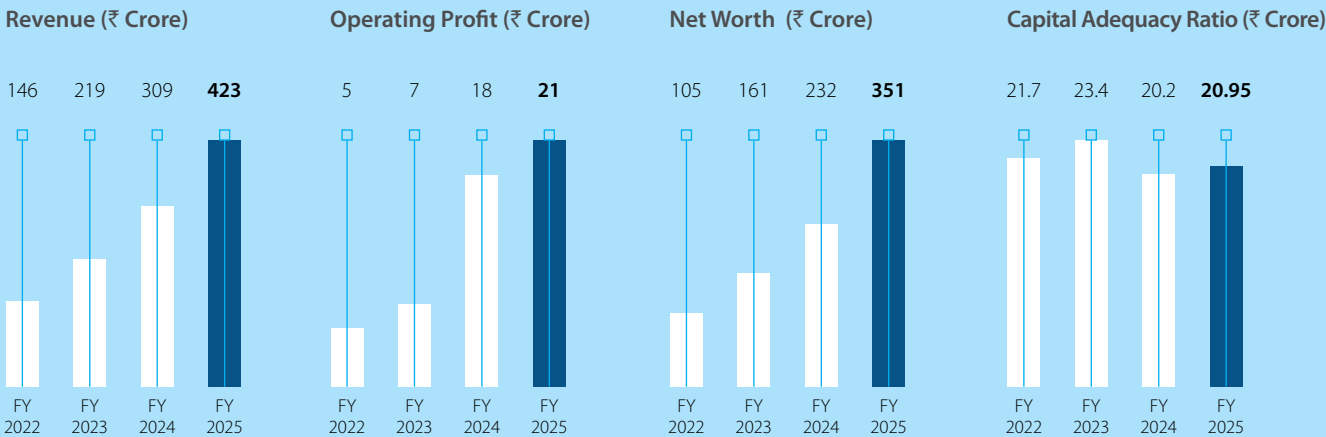
Managing Director & CEO



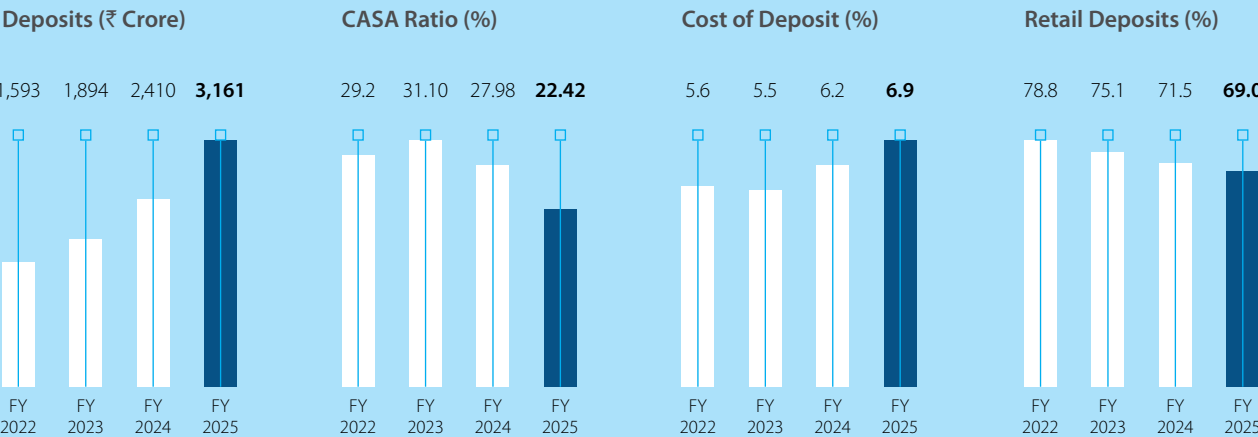
FINANCIAL PERFORMANCE

Strength in Numbers

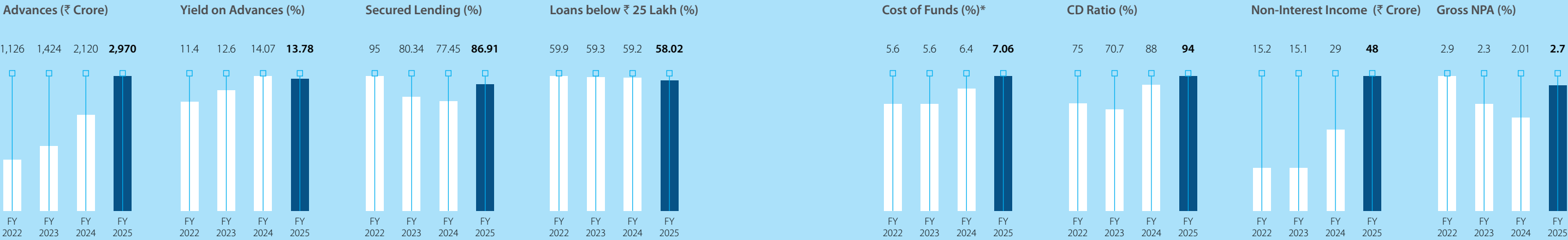
Financial Indicators



Deposit Base



Retail Loan Book



\*Includes all borrowings



# Expanding Access, Deepening Impact

*The Bank remains deeply committed to expanding access to banking for India's underserved populations. It explicitly targets MSMEs, rural and semi-urban consumers, women's self-help groups among others through a blend of technology and outreach.*

We balance physical accessibility with digital innovation to improve our reach. Our hub and spoke model include larger district branches acting as central hubs and supported by smaller tehsil branches along with dedicated Business Correspondent branches to extend our reach. This strong physical network is seamlessly integrated with our commitment to digital solutions, ensuring that customers enjoy a unified experience with a full suite of service across touchpoints – whether physical or digital. This synergy enhances our presence on the ground while delivering convenient, responsive banking to every customer, wherever they are.



## DEPOSITS

- ☐ Savings Account
- ☐ Current Account
- ☐ Fixed Deposits
- ☐ Tax Saver Fixed Deposits
- ☐ Non-Callable Fixed Deposits
- ☐ Recurring Deposits
- ☐ Safe Deposit Lockers



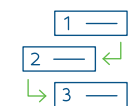
## LOANS

- ☐ Business Loan
- ☐ Retail Trade Loan
- ☐ Loan Against Property
- ☐ Gold Loan
- ☐ Working Capital Loan
- ☐ Home Loan
- ☐ Loan against Warehouse Receipts
- ☐ Agricultural Term Loans
- ☐ Farmer Finance & Crop Loans
- ☐ Micro Loans
- ☐ Car / Auto Loans
- ☐ Two-Wheeler Loans
- ☐ Commercial Vehicle Loans
- ☐ Roof Top Solar Loans



## DEBIT CARDS

- ☐ RuPay Classic Debit Card
- ☐ RuPay Platinum Debit Card



## 3 IN 1 ACCOUNT

- ☐ Demat Account



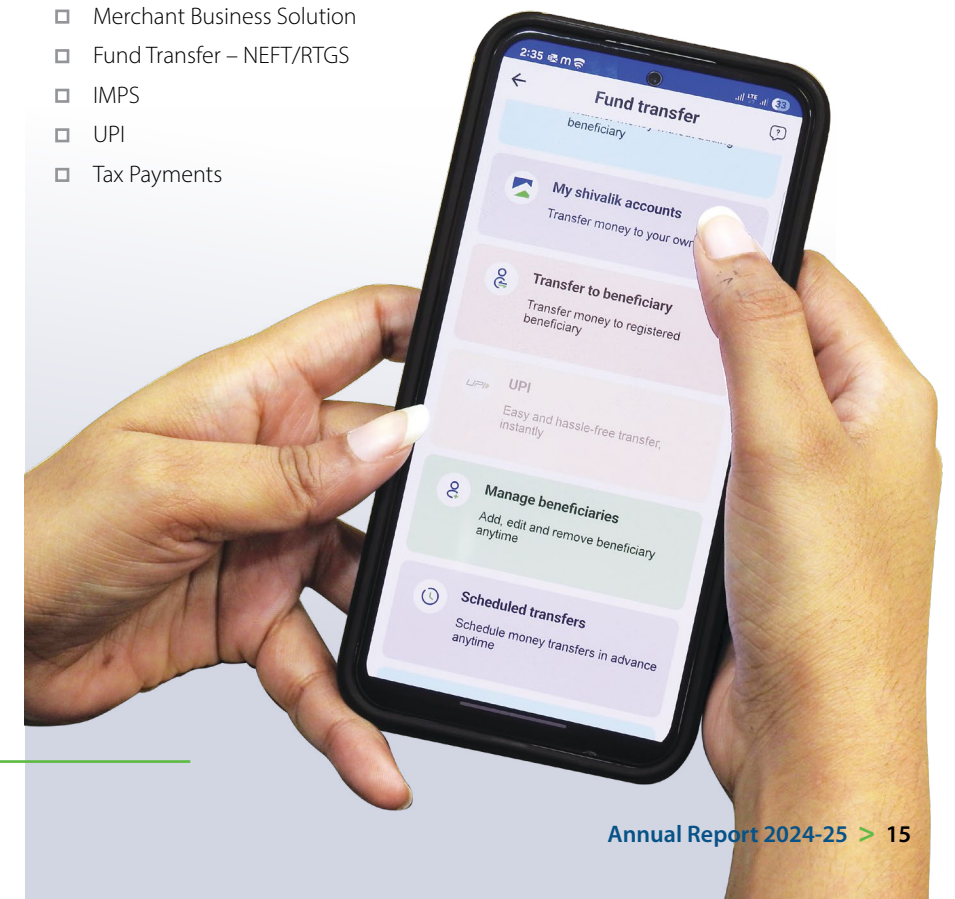
## DIGITAL BANKING

- ☐ Internet Banking
- ☐ Mobile Banking
- ☐ SMS Banking
- ☐ Merchant Business Solution
- ☐ Fund Transfer – NEFT/RTGS
- ☐ IMPS
- ☐ UPI
- ☐ Tax Payments



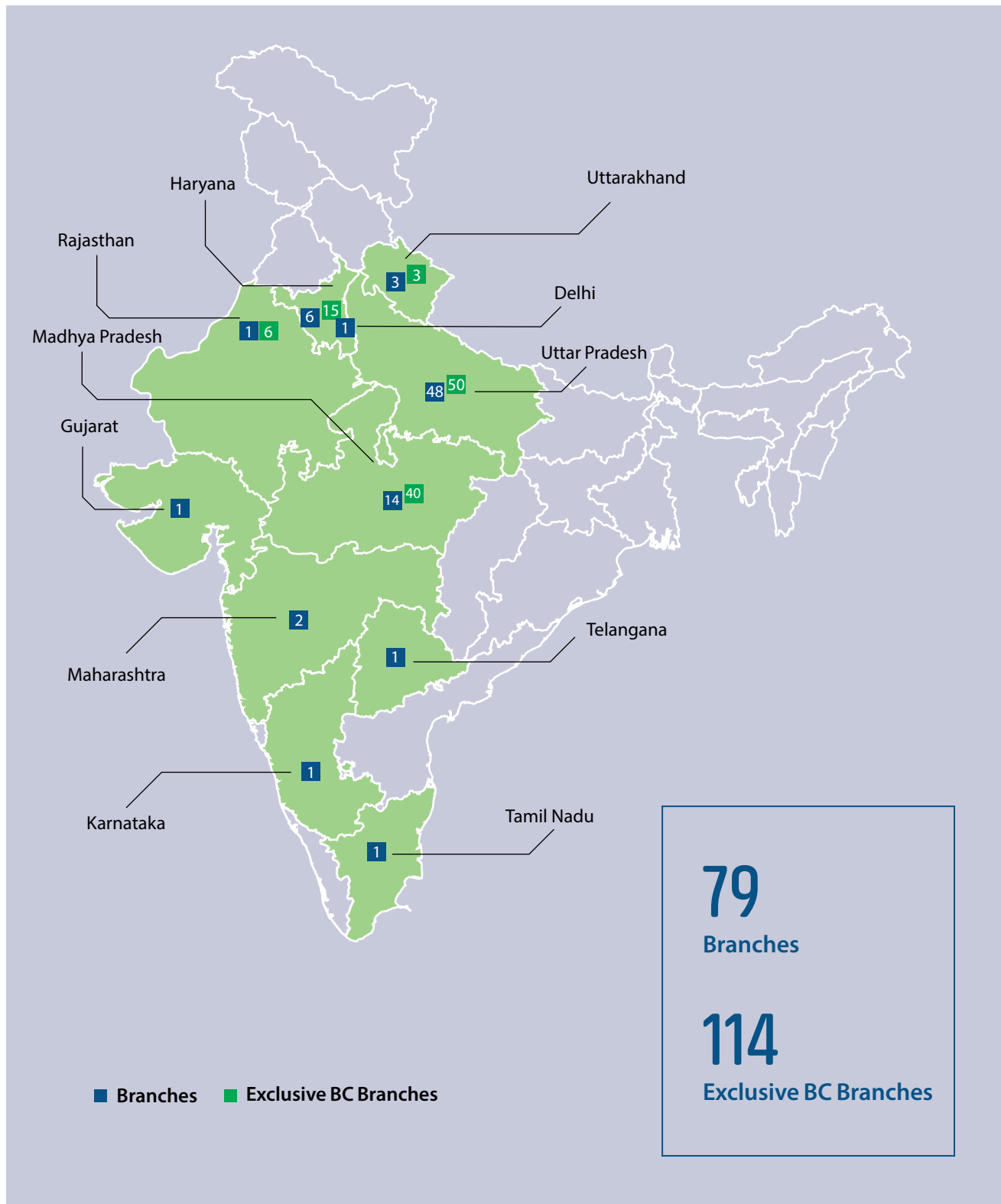
## INSURANCE

- ☐ Life Insurance
- ☐ General Insurance
- ☐ Health Insurance
- ☐ PMJJBY
- ☐ PMSBY





## GEOGRAPHICAL REACH



## DIVERSIFIED PRODUCT SUITES

Our comprehensive suite of lending products is designed to empower individuals, entrepreneurs and enterprises across India's diverse urban and rural landscape.



### Business Loan Against Property

Business Loan Against Property delivers medium to short-term financing solutions secured against residential or commercial properties, catering to business expansion initiatives and personal financial requirements. This product is ideally positioned for MSMEs and salaried professionals seeking substantial funding with competitive terms. Our multi-channel distribution network, enhanced by robust underwriting capabilities and e-signature technology, ensures seamless access and processing. The deployment of advanced pricing calculators has empowered our frontline teams to deliver faster rate decisions and significantly improved the turnaround times.

**₹ 963.46 crore**  
Loan Book



### Housing Loans

Shivalik's Housing Loan portfolio offers affordable, long-tenure financing solutions for home purchase, construction, and renovation activities, with a strategic focus on underserved Tier 2 and Tier 3 markets. Our biometric-enabled onboarding process ensures seamless and secure customer acquisition across all geographic tiers, including traditionally underserved areas. We maintain competitive interest rates designed to enhance accessibility and attract a broader customer demographic. Our specialised focus on the affordable housing segment actively promotes financial inclusion and enables sustainable home ownership dreams for aspiring homeowners.

**₹ 242.10 crore**  
Loan Book



### Loan against Gold

Shivalik Bank's Loan Against Gold product provides immediate short-term secured credit against gold ornaments, efficiently addressing urgent personal and business financing needs. This product is strategically delivered through both branch networks and Business Correspondent (BC) channels to maximise accessibility. We have implemented a fully digital processing journey that includes Aadhaar-based e-KYC, paperless application procedures, and real-time approval capabilities through our sophisticated credit rule engine. The significant expansion of our sales team – doubling it during FY25 – has further strengthened our market presence and customer service capabilities.

**34.9% increase to**  
**₹ 587.63 crore**  
Loan Book



### Commercial Vehicle and Electric Commercial Vehicle (ECV) Loans

Bank's asset-backed financing solutions are specifically tailored for commercial vehicles, supporting diverse businesses across logistics, last-mile delivery, and environmentally-conscious transport sectors. We launched a dedicated Electric Vehicle vertical as part of our comprehensive sustainability agenda, demonstrating our commitment to ESG principles. Our specialised financing solutions now encompass L3 and L5 electric vehicles, positioning us at the forefront of India's green transportation revolution while supporting businesses transitioning to eco-friendly alternatives.

**₹ 420.53 crore**  
Commercial Vehicle Loan Book



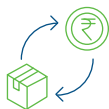


### Agricultural Loans

Our Agriculture Loans comprehensively serve farmers, agri-processors, and traders through diverse financial instruments including Term Loans, Working Capital support, and Warehouse Receipt Loans, addressing the complete spectrum of agricultural and allied activities. These products are designed to enhance income security, prevent distress sales, and boost productivity across rural India. We have achieved complete digital transformation with 100% digital onboarding using e-KYC and e-signature technologies, ensuring seamless access even in remote rural geographies. Strategic partnerships with industry leaders ERGOS, Agriwise, and Arya.ag have significantly expanded our agri-finance reach. Our SDK and MDM integration facilitates effortless Customer Information File (CIF) creation, while flexible loan structures are tailored to meet specific agri-partner requirements. BBPS integration ensures secure and timely repayment collections across our agricultural portfolio.

₹ 288.31 crore

Loan Book

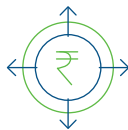


### Warehouse Receipt Finance (WRF)

Warehouse Receipt Finance empowers borrowers to access immediate credit by pledging their stored commodities, effectively eliminating the compulsion to sell produce immediately after harvest and enabling superior price realisation strategies. Our sophisticated digital platform allows customers to seamlessly request commodity release and execute payments online, enhancing operational efficiency. We have significantly improved transparency through system-generated repayment schedules and comprehensive Key Fact Statements, strengthening financial resilience for farmers, agri-processors, and rural MSMEs while building trust in our processes.

₹ 266.53 crore

Loan Book



### Microfinance (JLG Loans)

Operating under the proven Joint Liability Group (JLG) model, these specialised loans target self-employed women in rural and semi-urban areas, supporting diverse income-generating activities spanning dairy farming, agriculture, and micro-enterprises. Our comprehensive end-to-end digital journey spans from initial application through final disbursement, ensuring efficiency and accessibility. These products are strategically designed to promote women empowerment, self-reliance, and financial literacy across rural communities. We have strengthened our rural penetration through dedicated Business Correspondent partnerships, extending our reach into previously unserved markets.

₹ 257.05 crore

Loan Book

### CASE STUDY

## EMPOWERING RURAL LIVELIHOODS THROUGH CATTLE FINANCING

Under Shivalik Small Finance Bank’s comprehensive initiative to enhance rural entrepreneurship, we provide specialised cattle loans ranging from ₹ 59,000 to ₹ 4,00,000, designed to help customers establish or strengthen sustainable income sources. Our Field Sales Officers (FSOs) maintain regular engagement with borrowers to ensure optimal utilisation, with each loan accompanied by cattle insurance and a Loan Utilisation Certificate (LUC) to safeguard both customer and institutional interests.

### Customer Profile

**Name:** Smt. Sunita Devi  
(name changed for privacy)  
**Age:** 38 years  
**Location:** Hapur, Uttar Pradesh  
**Family:** Husband (daily wage labourer), two school-going children  
**Initial Income:** Seasonal agricultural labour, household income approximately ₹18,560/month

### Challenge

Sunita Devi’s family faced unstable and insufficient income to cover basic necessities and her children’s educational expenses. Despite her entrepreneurial willingness, lack of collateral prevented access to formal credit for business establishment. She aspired to own cattle for steady milk sales and agricultural manure production.

**Intervention:** After learning about Shivalik Small Finance Bank’s Cattle loan program and completing due diligence, Sunita received a ₹ 86,000 loan to purchase one high-yield milch cow. Our FSO conducted regular field visits, collected the LUC, and provided comprehensive guidance on cattle care, feed planning, and insurance coverage.

### Key Takeaway

Shivalik Small Finance Bank’s secured, well-monitored microloans demonstrate the transformative power of responsible rural finance, enabling financial independence and fostering sustainable entrepreneurship while maintaining rigorous credit practices.

### Customer Testimonial

*Earlier, we were uncertain about managing even daily needs. With Shivalik’s support, I not only earn regularly but feel secure about my family’s future. My children’s education is no longer uncertain.*

### Impact

**Stable Income Generation:** Sunita now sells approximately 12 litres of milk daily to a local dairy cooperative, generating additional monthly income of ₹19,000

**Financial Security:** Timely EMI repayments, regular savings, and comprehensive cattle insurance protection

**Educational Advancement:** Improved cash flow enabled private school enrolment for her daughter and educational material purchases without informal borrowing

**Community Leadership:** Sunita has inspired two neighbours to apply for similar loans after witnessing her transformation



TECHNOLOGICAL ADVANCEMENT

# Leveraging Technology to Become Future-Ready

At Shivalik SFB, technology is the cornerstone of our mission to deliver intuitive, secure, and customer-centric financial services. In FY25, we accelerated our digital transformation journey, leveraging cutting-edge solutions to empower our customers – individuals, merchants and businesses alike. Our roadmap prioritises seamless digital experience, operational efficiency and innovation, ensuring we meet the evolving needs of our digitally-savvy customers while maintaining trust and security.



The roadmap encompasses transformative initiatives such as digital onboarding processes, intelligent automation of branch operations, integration of major payment systems, and strategic platform collaboration to introduce innovative banking solutions. As we continue this evolutionary journey, Shivalik Bank is committed to providing a future-ready banking experience that caters to the sophisticated needs of our digitally-savvy customers. Some of the key initiatives are as below:

### UPI Switch Migration

As a part of the strategic enhancement of our digital payment infrastructure, Shivalik Bank successfully executed a comprehensive migration to an advanced UPI switch platform. This strategic transition optimised transactional costs, enhanced operational flexibility, and accelerated the integration of innovative business features while ensuring seamless compliance with evolving regulatory frameworks. The migration has delivered substantial reduction in transaction costs and operational overheads, while enabling a rapid deployment of new capabilities and maintaining stringent regulatory adherence.



### HIGHLIGHTS

41.09%

Customers successfully linked their Shivalik Bank Accounts to UPI

69.74%

Achieved active transaction user status

95.28%

Digital transactions processed through UPI in the Bank

### Personalised Contactless Card

We launched our Personalised Contactless Card, representing a perfect blend of convenience, innovation, and security. The card transforms the customer experience through advanced contactless payment capabilities, enabling faster and more secure transactions, along with exclusive benefits meticulously tailored to individual preferences. The card is available in two variants – platinum and classic.

Our NCMC (National Common Mobility Card) represents a versatile debit card solution designed to streamline everyday payment experiences. This innovative card enables seamless payments for transit services including metros and buses, toll payments, parking fees, retail purchases, and various other services through a unified

platform. With advanced contactless functionality, it ensures secure, rapid, and seamless transactions, establishing itself as the ultimate solution for daily financial needs.

### Sound Box for Merchants

We deployed intelligent sound box solutions for storefront businesses to revolutionise payment experience for our merchant partners. These sophisticated devices provide instant audio confirmation of transactions, fostering complete transparency and significantly reducing operational friction during customer interactions. The solution has resulted in automated customer acquisition process enabling quick onboarding. It offers flexible settlement frequency option extending up to 8 cycles for faster optimised cash flow management.



### E-mandate solutions

We introduced a sophisticated API-based e-mandate solution enabling customers to authorise recurring payments using debit cards and Aadhaar. This solution simplifies subscription payments, loan EMI, and utility bills from Shivalik Bank accounts, thereby driving sustainable deposit growth. Through robust API integration, we ensure seamless connectivity, superior user experience, and compliance with regulatory guidelines, reinforcing its commitment to driving innovation in digital banking.

### Digital FD on Standing Instructions (SI)

Shivalik Bank's Digital FD on Standing Instructions (SI) enables customers to automate savings effortlessly. The customers can establish regular transfers from their primary accounts and create fixed deposits as well as recurring deposits, enabling disciplined wealth accumulation through intelligent automation. They can also modify maturity instructions.

### Shivalik on Bharat Bill Payment System

Shivalik Bank successfully integrated with the Bharat Bill Payment System (BBPS) for loan EMI collections, enabling customers to manage loan repayments through a secure, centralised ecosystem in a convenient manner. This integration, available through popular third-party apps, offers multiple payment options, making loan repayments faster, easier, and more accessible.

### Intelligent Branch Services Automation

Shivalik Bank's branch services automation initiative transforms in-branch operations by integrating sophisticated digital solutions for routine tasks such as address change, mobile number, e-mail address, and PAN Update, Debit card issuance, Form 15H/G. This reduces customer wait times and improves overall customer experience and allows branch staff to focus on more complex customer needs, ultimately improving overall customer experience.

### Enhancement on Shivalik Bank Mobile App – mshiFFt

Shivalik Bank is continually enhancing its mobile app to provide a more comprehensive and user-friendly experience for customers. Recent updates include the addition of more categories for bill payments, enabling users to manage a broader spectrum of services, such as payment for a wider range of bills and services, directly through the app. Customers can now also share feedback on their app experience, helping the bank improve services. Additionally, the app now enables transactions from OD (Overdraft) accounts, offering greater flexibility for users to manage their finances. These updates are designed to make banking more convenient, accessible, and personalised for Shivalik Bank's customers.

#### HIGHLIGHTS

**21.03%**

Savings account customers are onboarded on mshiFFt

**2-in-3**

registered customers are the active users on mshiFFt



### UPI Lite

UPI Lite is a breakthrough feature designed for faster and more convenient small-value transactions, enabling customers to execute such transactions without requiring a PIN, ensuring a seamless and instantaneous payment experience. With UPI Lite, transactions are processed in real time, offering unparalleled convenience for day-to-day purchases. This launch reinforces Shivalik Bank's commitment to enhancing digital payment solutions and providing customers with a secure and efficient banking experience.

#### HIGHLIGHTS

- Instant payment without requiring a PIN
- Enhanced limit of UPI Lite transactions
- Clutter-free account statement

## OUR COMMITMENT TO A DIGITAL-FIRST FUTURE

As we advance into the next phase of our digital evolution, our strategic focus remains on creating banking intuitive, intelligent, and inclusive. Our FY26 roadmap encompasses:

- Scale our Open Banking initiatives to offer more modular digital services via APIs
- mshiFFt – Mobile Banking App remains the cornerstone of our retail digital strategy. With a simplified user experience, we will add up more innovative enhancements to make it the first choice of our customer
- Bank is set to launch a completely reimagined Retail Internet Banking

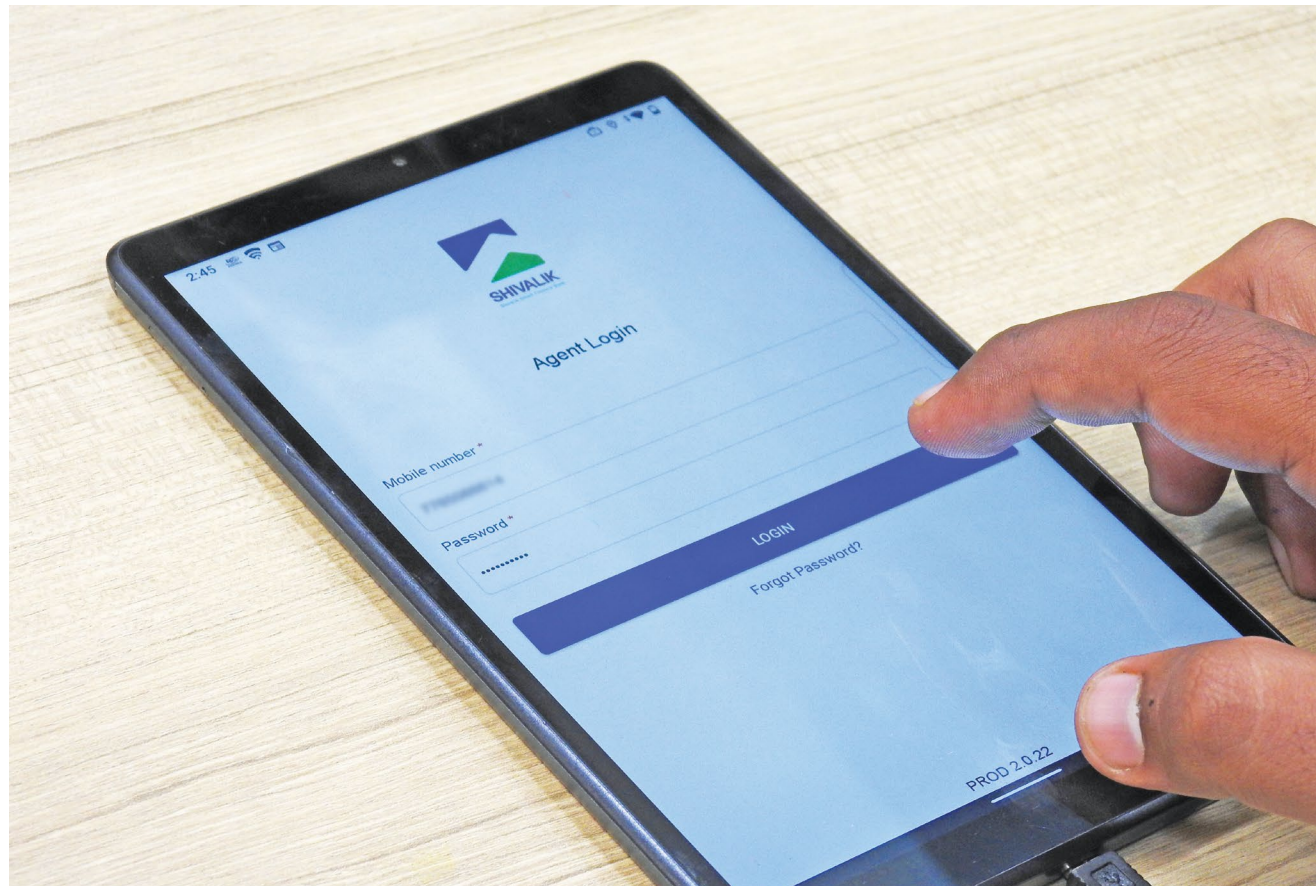
Platform in FY26, which is designed to meet the evolving needs of our modern customers, with a strong focus on superior user experience, advanced security, and smooth performance

- Launch Corporate Internet Banking solution, designed to empower businesses with secure, efficient, and user-centric digital banking services. This solution will offer advanced features like bulk payment capabilities, customised access controls,

real-time transaction monitoring, and multiple level of authorisations, enabling businesses to streamline their financial operations. It reflects the Bank's commitment to driving digital innovation and supporting business growth

- Expanding digital journeys across lending, onboarding, and wealth products

Through these strategic digital initiatives, Shivalik Bank has established itself as a technology pioneer in the small finance banking sector, consistently delivering innovative solutions that enhance customer experiences while driving operational excellence. As we advance into FY26, our commitment to digital innovation will continue to set new industry benchmarks, ensuring we remain at the forefront of India's digital banking revolution.





# People-First Approach

At Shivalik, people are our greatest asset, driving our mission to deliver inclusive and innovative banking solutions. In FY25, we continued to nurture a purpose-driven, people-first and performance-oriented culture guided by empathy, empowerment and excellence. Our human resources strategy focusses on cultivating deep employee connections, enabling performance, and celebrating contributions, ensuring a workplace where every individual feels valued and inspired.



## Cultivating vibrant organisational culture

Culture is built through actions – daily practices that cultivate trust, ownership and pride. In this fiscal, we strengthened branch-level engagement through our HR Business Partner (HRBP) led model, ensuring that employees have access to timely support and a stronger connection to the organisation. From celebrating milestones like our Small Finance Bank anniversary to recognising efforts on Women’s Day, Employee Appreciation Day, Earth Day, we created moments that reinforced sense of belonging. New recognition categories, such as “King of Maximum,” “The Hulk,” “Superhuman,” and the “Invictus Award” for top-performing branches, celebrated not just outcomes but also the values and effort behind them. These initiatives, combined with digitised HR services like a revamped Payroll Portal, enhanced transparency and employee experience, fostering a culture of continuous dialogue and inclusion.

831  
Total Employees

## Diversity, Equity and Inclusion

We uphold fair labour practices and ensure equal access to recruitment, performance and career opportunities for all employees. Shivalik is committed to creating a workplace where diversity thrives and every individual feels empowered. We are actively working to sustain and improve our women’s representation through inclusive hiring. We aim to sustain women’s representation between 15% - 18% and increase the differently abled workforce by 50% in FY26.

17.3%  
Women in the workforce

17%  
Women in leadership roles

5  
Differently abled team members



## Key initiatives undertaken to achieve Diversity, Equity & Inclusion

- Ongoing training and education programmes that equip employees to identify and address these issues, fostering a more inclusive environment
- Active recruitment and hiring of individuals from diverse backgrounds, including women and specially-abled people
- Commitment to supporting and empowering our female workforce. We offer programmes like remote work, parental leave and strict

adherence to the prevention of sexual harassment at work (POSH) framework to ensure a supportive environment

- Merit-based employment decisions with zero tolerance for any kind of discrimination based on caste, gender, age, race, disability, HIV status or socioeconomic background

By embedding diversity, equity, and inclusion (DEI) in our learning programmes, hiring processes, and cultural sensitisation efforts, we are building an inclusive workplace that reflects our values.

Line items	April 26, 2021	March 31, 2025	Increase %
Women	64	144	125%
Differently abled	1	5	400%
Women at DVP & above grades	3	12	300%



## Attracting and retaining talent

Our talent philosophy – hire for competency and values, develop for potential, and grow together guides our approach to attracting, retaining and motivating employees.

26%

Fresh graduates as new hires

50

Internal successions

12%

Active employees holding ESOP grants

To retain and motivate our people, we have focussed on:

- I. Career visibility and internal mobility, especially within branch banking
- II. Structured rewards and recognition that go beyond sales metrics to celebrate values and effort
- III. Digital HR interventions, including a refreshed payroll platform for greater transparency
- IV. Engaging employee experiences through learning, well-being initiatives, and moments of celebration

- V. Structured onboarding journeys ensured early integration and cultural alignment

By hiring new graduates, we are building a future-ready workforce across frontline banking, compliance, risk and audit roles. Our employees undergo structured onboarding journeys that ensure early integration while rewards, career mobility and well-being initiatives sustain motivation. By balancing financial and non-financial incentives, we continue to invest in our people, our greatest strength.



## Investing in employee development

Developing our people is central to our growth strategy. In FY25, we delivered structured, future-focussed learning programmes to build competence, leadership capability and personal growth.

- ▣ Role-based learning journeys equipped Cluster Heads, Branch Heads, and Customer Service Officers with skills in empathy-driven leadership, service excellence, and execution discipline
- ▣ To strengthen our enterprise risk culture, we launched learning interventions on strategic risk awareness and the Risk and Control Self-Assessment (RCSA) framework
- ▣ Our Emerging Bankers Program welcomed 24 Probationary Officers from leading colleges, who underwent classroom training and a three-month branch immersion, while Management Trainees from premier institutes like IIM Lucknow, IIM Amritsar, NIBM, and SIBM completed a 30-day customised onboarding program
- ▣ Looking ahead, we plan to establish functional academies and leadership acceleration programs to enhance career visibility and mobility, ensuring continuous development for our 831 employees

## Driving engagement and well being

Employee engagement at Shivalik is about fostering a shared identity and sustaining joy at work. In FY25, we brought our people together through vibrant initiatives, including celebrations of festivals, national days, Women's Day, and Earth Day, each designed to honour community and purpose. Health and eye check-up camps across branches

underscored our commitment to holistic wellness, while the revamped digital Payroll Portal improved access and transparency. Our recognition programs celebrated individual and team contributions, boosting morale and strengthening our cultural fabric. These efforts helped maintain a regrettable attrition rate of just 12%, reflecting the trust and motivation within our workforce.





# Sustainability at Heart

*Sustainability is critical in our vision to create lasting value for our stakeholders and communities. Guided by our Board-approved ESG roadmap, and aligned with UNSDGs (United Nations Sustainable Development Goals), we are committed to fostering inclusive growth, environmental stewardship and equitable opportunities. This year, we advanced our ESG agenda through initiatives in gender equality, economic empowerment, environmental responsibility and robust governance.*



## ENVIRONMENTAL

Sustainability Management is paramount at Shivalik. We aim to minimise adverse impacts and enhance positive outcomes on the environment and all stakeholders. We strive to ensure responsible consumption of natural resources as well as reduction in greenhouse gas emissions. From transitioning to renewable energy and avoiding plastics to protecting biodiversity our environment strategy covers everything.

### Reducing our carbon footprint

While our business is service led, we recognise our responsibility toward environmental stewardship. Our key carbon-reduction initiatives include:

- I. Sustained 4–5% reduction in power usage through inverter ACs, equipment replacement by efficiency grade, and staff awareness programs
- II. Increased shift toward energy-efficient lighting and equipment at branches and offices
- III. Sustained average paper usage of 53 rims per branch per annum, with an 8–10% reduction goal
- IV. Continued emphasis on digital workflows for both internal processes and customer servicing
- V. Reduced single-use plastic through sustainable packaging, plastic-free staff stationery, and eco-conscious gifting
- VI. Annual plantation drives on Earth Day and ongoing green cover maintenance

### Promoting green financing

Shivalik advanced its green financing portfolio in FY25. We financed over 3,000 electric vehicles (EVs), building a green portfolio worth ₹150 crore. This initiative supports the transition to clean energy and sustainable urban development, contributing to India's climate goals and fostering environmentally responsible growth.

### Enhancing energy efficiency

We implemented several measures to optimise energy use. The deployment of inverter air conditioners and the planned replacement of aged units improved energy ratings across our facilities. Continuous energy monitoring ensured sustained tracking

of consumption while employee sensitisation campaigns encouraged switching off unused appliances and reducing ambient load. These efforts collectively contributed to 4%-5% reduction in power usage aligning with our environmental goals.

### Preserving biodiversity

Shivalik is committed to preserving biodiversity. In the year gone by, we conducted plantation drives across regions on Earth Day, with ongoing maintenance to ensure long-term ecological impact. Our focus on green sourcing, waste minimisation and sustainable operations further reduced our environmental footprint contributing to healthier ecosystems and community well being.





## SOCIAL: COMMUNITIES

At Shivalik, we believe in the power of collaboration. Its not just about banking – its about building bridges with the communities we serve and the team which makes our teams thrive. Guided by empowerment and financial inclusion, we support underserved communities, especially women and those in rural areas, by integrating them into financial system. We also cultivate a workplace where employees feel valued and are encouraged to give back to our communities.

### Eradicating Hunger

#### Combating Poverty and Hunger

Shivalik disbursed over ₹ 300 crore to more than 75,000 customers in FY25, empowering small businesses and individuals with accessible financial services. Additionally, we provided targeted agricultural finance of ₹ 25 crore to 2,500 farmers, promoting sustainable livelihoods and food security. These efforts align with our mission to drive economic empowerment in underserved communities.



## SOCIAL: EMPLOYEES

We foster a conducive work environment, providing equal opportunities, rewarding accomplishments, thereby enabling a fun and motivated workforce.



## GOVERNANCE



### Ethical Conduct

We promote ethical behaviour, reassuring customers that they are engaging with a trustworthy organisation that upholds highest moral standards. Our well-defined policies, procedures, and a comprehensive code of ethics ensure honesty, integrity, and accountability in all actions.

### Transparency

We are committed to opening communication and transparent practices

with all stakeholders, nurturing trust and enhancing our credibility.

### Compliance

We uphold the highest standards of legal and regulatory compliance through proactive audits and robust legal supervision, ensuring adherence to all applicable rules and regulations. We continually enhance our data privacy and cybersecurity practices to ensure we continue to mitigate emerging risks.

### Prohibited Activities

We maintain strict ethical standards by prohibiting any illegal or improper activities. We fully comply with all relevant laws and regulations and specifically forbid any involvement in any unlawful activities such as manufacturing or distribution of banned substances, or dealing in narcotics.



# Board of Directors



**Shankar Aggarwal**  
 Part-Time Chairman and  
 Independent Director



**Arundhati Mech**  
 Independent Director



**Dinesh Kumar Mittal**  
 Non-Executive  
 Non-Independent Director



**Dinesh Singhal**  
 Independent Director



**Malay Mukherjee**  
 Independent Director



**Om Prakash Singh**  
 Independent Director



**Shalini Lal**  
 Independent Director



**Veena Hingarh**  
 Independent Director



**K. Narasimha Murthy**  
 Independent Director  
 (till April 2, 2024)



**Anshul Swami**  
 MD & CEO

# Senior Management Team



**Anshul Swami**  
 MD & Chief Executive  
 Officer (CEO)



**Gaurav Mittal**  
 Chief Operating Officer (COO)



**Gaurav Seth**  
 Chief Financial Officer (CFO)



**Anshul Sharma**  
 Chief Risk Officer (CRO)



**Ramesh Babu Thimmana**  
 Chief Technology  
 Officer (CTO) & Chief  
 Information Officer (CIO)



**Divya Sethi**  
 Liabilities and Branch Banking



**Neeraj Sati**  
 Retail Assets & Financial Inclusion



**Pradeep Kumar Shukla**  
 Chief Compliance Officer  
 (till March 23, 2025)



**Samiran Gogoi**  
 Chief Compliance Officer  
 (w.e.f. March 24, 2025)



# Management Discussion and Analysis

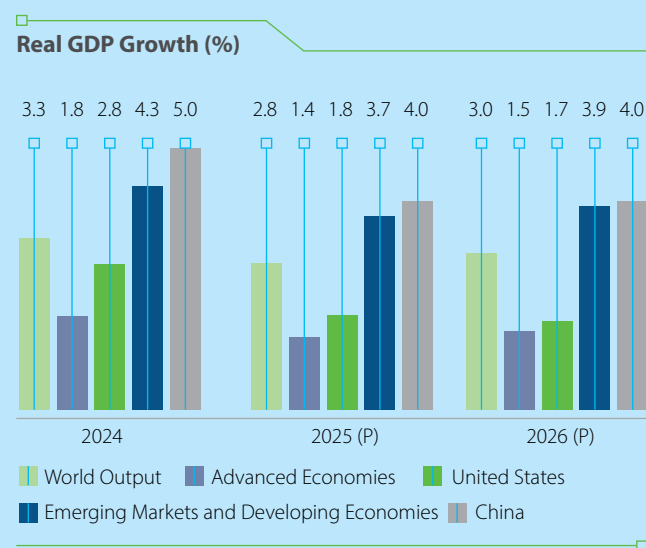


## Global Economy

During 2024, the global economy demonstrated stability despite persistent macroeconomic and geopolitical headwinds. These include ongoing geopolitical tensions, such as the conflict in Ukraine and disruptions to Red Sea shipping. Additionally, international supply chain complications and trade disputes between major economies continued to pose challenges. Data from the World Economic Outlook (IMF) report indicated a consistent global Gross Domestic Product (GDP) growth rate of 3.3%. Economic expansion rates varied significantly across regions. Growth in developed nations experienced a decline, whereas developing economies, particularly those in Asia, generally maintained steady growth.

Global inflation showed an improving trend, with the rate of 5.6% for 2024, a decrease from 6.6% in the previous year. Developed economies are anticipated to achieve their inflation targets sooner, while emerging markets are expected to experience a slower reduction in price increases.

(Source: World Economic Outlook, IMF, Reuters)



## Outlook

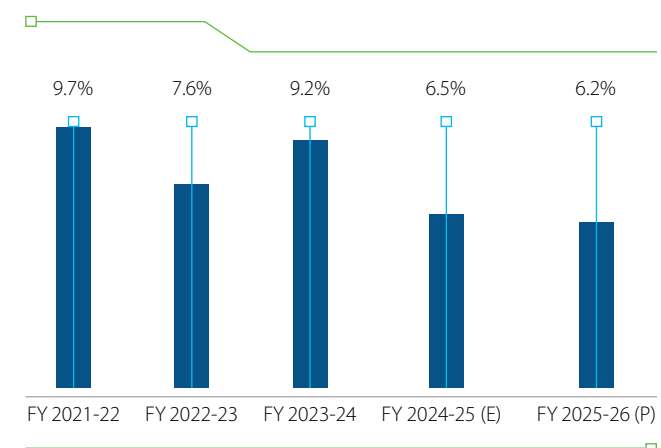
The global economy is currently predicted to sustain a steady expansion path, with projected growth rates of 2.8% for 2025 and 3.0% for 2026. This positive outlook is underpinned by robust economic performance observed in the United States and significant progress within key emerging markets.

In the United States, growth is forecast at 1.8% in 2025 and 1.7% in 2026. This projection accounts for anticipated adjustments in the labour market and a potential moderation in consumer expenditure. For the Eurozone, a recovery is predicted, with growth projected to reach 0.8% in 2025 and improve to 1.2% in 2026. This expected improvement is primarily linked to an increase in consumer spending and a continued reduction in inflation rates.

(Source: World Economic Outlook, IMF)

## Indian Economy

India's economy demonstrated a consistent pattern of expansion and stability throughout FY 2024-25, confirming its position as a major global economy showing strong growth. As per the Second Advanced Estimate (SAE), India's real GDP expanded by 6.5% in FY 2024-25, moderating from the 9.2% growth reported in the First Revised Estimates for FY 2023-24. This consistent performance demonstrates the nation's firm economic base, effective policy measures, a vibrant services sector, and robust domestic consumption, all supporting a positive outlook for India's long-term economic trajectory.



India's economic stature continues its upward climb, with the nation now holding the position of the world's fourth-largest economy by nominal Gross Domestic Product (GDP) and the third-largest when assessed by purchasing power parity (PPP). Ambitious national targets have been set to achieve a \$5 trillion economy by FY 2027-28 and a \$30 trillion economy by 2047. These are expected to be accomplished through substantial infrastructure investments, ongoing governmental reforms, and the widespread adoption of technological advancements. Reflecting this commitment, the capital Expenditure for the FY 2025-26 Budget has increased to ₹ 11.21 lakh crore, representing 3.1% of GDP.

Major policy initiatives and increased investment in both physical and digital infrastructure are central to India's accelerated growth and economic self-reliance. Key programmes such as Make in India and the Production-Linked Incentive (PLI) scheme have provided important impetus to this progress.

(Source: Press Information Bureau, World Economic Outlook, IMF, PIB)

## Outlook

India's economy is expected to grow at 6.2% in FY 2025-26. Projections indicate that by 2030, India will likely become the world's third-largest economy, driven by investments in infrastructure, greater private sector capital expenditure, and the expansion of financial services. Ongoing reforms are anticipated to support this long-term economic advancement.

Several factors underpin this positive outlook, including India's favourable demographics, increasing capital investment, proactive government schemes, and strong consumer demand. Improved spending in rural areas, helped by moderating inflation, further reinforces this growth trajectory. The government's focus on capital expenditure, prudent fiscal management, and measures to boost business and consumer confidence are creating a supportive environment for both investment and consumption.

Programmes such as Make in India 2.0, reforms designed to improve the ease of doing business, and the Production-Linked Incentive (PLI) scheme are intended to strengthen infrastructure, manufacturing, and exports, positioning India as a significant player in global manufacturing. With inflation expected to be on target by the end of this year (2025), a more accommodating monetary policy is likely. Infrastructure development and supportive government policies will facilitate capital formation, while rural demand will receive a boost from initiatives like the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY).

The Union Budget 2025-26 presents a growth-oriented financial strategy that addresses immediate and long-term economic needs. By increasing disposable income, prioritising infrastructure, and promoting domestic manufacturing, the budget aims to foster sustained economic growth while ensuring fiscal responsibility.

A key feature is the increased income tax exemption limit of ₹ 12.75 lakh per annum, which will enhance disposable income for middle-class households, stimulating consumer spending. Significant investments in infrastructure, including roads and railways, will improve connectivity and create jobs. Additionally, the budget strengthens the Production Linked Incentive (PLI) scheme for sectors like electronics and textiles, while supporting the "Make in India" initiative to establish India as a global manufacturing hub.

(Source: Press Information Bureau, World Economic Outlook, IMF)



## Industry Overview

### Indian Banking Industry

The Indian banking sector in FY 2024-25 has demonstrated remarkable progress, characterised by steady credit growth, improved asset quality, and enhanced profitability. Promoted by a stable macroeconomic environment and proactive regulatory measures, the sector consolidated its position, exhibiting strong growth in core operations, a continued improvement in asset quality, and a rapid acceleration in digital adoption. The period was characterised by a dual focus: strengthening traditional lending and deposit franchises while simultaneously embracing technological innovation to enhance customer experience and operational efficiency.

### Financial Performance and Profitability

The sector as a whole posted strong profitability, driven by healthy credit growth and a significant reduction in non-performing assets (NPAs). Public Sector Banks (PSBs) recorded an all-time high aggregate net profit of ₹ 1.78 lakh crore in FY 2024-25, a testament to their improved financial health and risk management. This positive momentum was mirrored across the private sector, signifying a strong and stable economic landscape.

(Source: PIB)

### Credit and Deposit Growth

Credit growth maintained a steady, double-digit pace, outpacing deposit growth for much of the year. As of May 2025, total credit grew by 10% Y-o-Y to ₹ 182.9 lakh crore, whilst deposits also increased by 10% to ₹ 230.3 lakh crore. The credit-to-deposit ratio remained below the 80% mark, a key indicator of liquidity and a solid funding base.

(Source: CARE Ratings)

The growth was particularly pronounced in key segments:

- **Retail Credit:** Personal loans and retail lending continued to be a significant growth driver.
- **Agriculture and MSME:** Bank credit to micro, small, and medium enterprises (MSMEs) grew at a faster pace than credit to large enterprises, whilst agricultural credit also saw robust growth.

(Source: PIB)

### Asset Quality

The asset quality of the Indian banking system witnessed a marked improvement, with gross non-performing assets (NPAs) reaching a multi-year low. Public sector banks saw their gross NPA ratio decline to 2.58% by March 2025, a significant reduction from 3.47% in the previous fiscal year. This improvement was supported by proactive regulatory guidance and strengthened provisioning, which enhanced the sector's financial stability and capacity for future lending.

(Source: PIB)

### Digital Transformation and Key Initiatives

Digital transformation remained a central theme for the industry. The Unified Payments Interface (UPI) continued its exponential growth, solidifying India's position as a global leader in real-time digital payments. In FY 2024-25, UPI achieved a landmark with 18,587 crore transactions amounting to a value of ₹ 261 lakh crore.

(Source: PIB)

Key initiatives in this area included:

- **Financial Inclusion:** The government and the RBI continued to expand last-mile digital payment awareness through programmes like PM Jan Dhan Yojana (PMJDY) and targeted training sessions in rural and semi-urban areas.
- **Infrastructure:** The development of digital public infrastructure (DPI), including Aadhaar and BharatNet, further facilitated a cashless and inclusive financial ecosystem.
- **New Products:** The introduction of innovations such as UPI Interoperable Cash Deposit at ATMs and UPI Circle marked a new phase of product development aimed at improving user convenience and expanding the use cases for digital payments.

(Source: PIB)

### Outlook

The Indian banking sector enters FY 2025-26 from a position of strength, having made significant strides in asset quality, profitability, and digital transformation. While challenges remain, influenced by regulatory reforms, economic conditions, and evolving market dynamics. The RBI projects that the Gross Non-Performing Assets (GNPA) ratio may rise to 3% by March 2026 (from 2.6% in September 2024) under baseline scenarios, and potentially to 5.3% in adverse conditions. However, all banks are expected to maintain capital adequacy above the 9% minimum.

**AUM are projected to double to ₹100 trillion (\$1,207 billion) by 2030, a 14% CAGR from FY 2023-24.**

Fitch Ratings anticipates a 10 basis point decline in banks' net interest margins (NIMs) in FY 2025-26 due to the RBI's 25 basis point policy rate cut to 6.25%. India Ratings forecasts loan growth to moderate to 13-13.5% in FY 2025-26, with deposit growth at 12-13%, due to competition and rising delinquencies in unsecured loans.

The Union Budget 2025-26 proposes increasing the FDI limit in insurance from 74% to 100%, conditional on companies investing the entire premium within India. A revamped Central KYC registry



is planned for 2025. A new Income Tax Bill aims for greater tax certainty. The budget also outlines measures to rationalise customs duty rates and decriminalise over 100 legal provisions.

With a slowdown in IPOs, private equity and venture capital are expected to play a larger role in funding. PE and VC investments totalled \$56 billion in 2024. Financial services and IT are projected to be the most attractive sectors for PE buyouts in 2025.

The RBI has cut its key policy rate by 25 basis points to 6.25%. Inflation is projected at 4.6% in Q1 and 4.0% in Q2 of FY 2025-26. The government aims for a fiscal deficit of 4.4% of GDP in FY 2025-26 (down from 4.8% in FY 2024-25).

Credit growth is expected to remain steady in FY 2025-26, supported by continued demand from the MSME sector and potential revival in corporate credit demand. However, banks will need to navigate carefully between growth opportunities and potential risks, particularly in light of the global economic uncertainties.

The implementation of the Expected Credit Loss guidelines from April 1, 2025, will likely have a significant impact on banks' provisioning practices and risk management strategies in FY 2025-26. While this may initially pose some challenges, it is expected to enhance the overall stability and resilience of the banking sector in the long term.

Digital banking adoption is projected to accelerate further in FY 2025-26, with banks investing heavily in technological infrastructure and fintech partnerships. This ongoing digital transformation is likely to reshape customer experiences, streamline operations, and open up new revenue streams for banks.

(Sources: PIB, E&Y, Reuters)

### The Micro, Small and Medium Enterprise (MSMEs) Sector

In FY 2024-25, India's Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the nation's socio-economic development. This sector is significant due to its substantial contributions to Gross Domestic Product (GDP) and exports. Moreover, MSMEs have fostered entrepreneurship, generated employment, enhanced exports, and made a considerable impact on India's industrial landscape.

MSMEs are key players in promoting India's export capabilities. The sector's export value surged to ₹ 12.39 lakh crore in 2024-25, up from ₹ 3.95 lakh crore in 2020-21. During the same period, the number of exporting MSMEs reached 1,73,350, a remarkable increase from 52,849 in 2020-21. This growth highlights the sector's crucial role in expanding India's global trade footprint. Furthermore, MSME-related products accounted for 45.79% of India's total exports by May 2024, a slight rise from 45.73% in FY 2023-24, illustrating their increasing significance in the nation's trade performance.





The MSME sector remains a major employment generator, with registered enterprises providing jobs for over 25 crore individuals.

The Union Budget 2025-26 introduced several measures to bolster the MSME sector. Key reforms included revised classification criteria, increasing investment and turnover limits for MSME classification by 2.5 and 2 times, respectively, to facilitate business growth and resource access. These changes are expected to enhance operational efficiency, promote technology adoption, and boost employment. Credit availability was also improved, with the credit guarantee for micro and small enterprises increasing from ₹ 5 crore to ₹ 10 crore, unlocking an additional ₹ 1.5 lakh crore in credit over five years. Startups saw their guarantee cover double from ₹ 10 crore to ₹ 20 crore, with a reduced 1% fee for loans in 27 priority sectors. Export-focussed MSMEs can now access term loans up to ₹ 20 crore with improved guarantee coverage. Additionally, a new scheme was launched to assist first-time entrepreneurs, providing financial support to 5 lakh women, Scheduled Caste, and Scheduled Tribe entrepreneurs with term loans up to ₹ 2 crore over five years. This initiative aims to promote inclusivity and encourage entrepreneurship among these groups.

#### Outlook

The MSME sector is poised for steady growth in FY 2025-26, supported by favourable policy interventions and an improving economic environment. The enhanced credit facilities and revised classification criteria are expected to empower MSMEs to

scale operations, adopt advanced technologies, and penetrate new markets. Furthermore, the focus on supporting first-time entrepreneurs is likely to diversify the entrepreneurial landscape, fostering innovation and inclusive growth. However, challenges such as inflationary pressures affecting wage growth and the continuous need for skill development remain. Addressing these issues through targeted policies and capacity-building initiatives will be crucial in unlocking the sector's full potential and ensuring its pivotal role in driving India's economic prosperity.

*(Source: JM Financial Services, Reuters, Press Information Bureau)*

#### Small Finance Banks

Small Finance Banks (SFBs) in India have emerged as a cornerstone for deepening financial inclusion and expanding credit outreach, particularly in rural and semi-urban areas. As of FY 2024-25, there are 11 operational SFBs, regulated by the Reserve Bank of India, that collectively service millions of customers with a focus on microloans, small business lending, and inclusive asset products aimed at the underserved and unbanked segments of the population.

The SFB sector recorded strong year-on-year advances growth estimated at 18-20% in FY 2024-25, down from a peak of 24% in the previous fiscal year. This momentum was matched by deposit growth of 20-22%, supported by strong mobilisation of retail liabilities and the expansion of SFB branch networks in Tier 2-6 geographies. The reach of SFBs has thus steadily extended,

cementing their significance in driving last-mile credit delivery and improving formal banking penetration.

A key development during this period has been the portfolio shift towards product diversification, with SFBs growing in segments such as affordable housing, gold loans, MSME lending, and digital banking. Greater digital adoption and increasing mobile and internet transactions have also helped SFBs achieve operational efficiencies and broaden urban-rural service delivery.

Asset quality remained relatively stable, with the sector's gross non-performing asset (GNPA) ratio increasing from 2.1% in March 2024 to 2.6-2.8% by March 2025, largely due to microfinance sector stress and residual effects of earlier economic disruptions. Despite these challenges, profitability stayed resilient. Profitability metrics reflect this environment, with the sector's Return on Assets (RoA) declining to a range of 1.4-1.6% for FY 2024-25. This is a drop from the 2.1% average recorded in FY24, again signalling the impact of elevated credit costs and provisioning taken to maintain asset quality standards. ICRA expects industry RoA to improve gradually in FY 2025-26 as operating efficiencies and credit costs stabilise.

Net Interest Margins (NIMs) for SFBs remain fairly strong, at 4.14% for most leading banks in FY 2024-25, supported by the high-yield focus of the SFB lending model and granular retail book. However, some moderation in this ratio was observed, reflecting both competitive pressures and the rising cost of funds.

*(Source: ICRA, Buzz)*

#### Outlook

India Ratings projects a moderation in banks' profitability in FY 2025-26, with loan growth anticipated to be in the range of 13-13.5% and deposit growth at 12-13%. This projection is amid high competition among lenders for garnering low-cost current account savings and account deposits.

*(Source: grantthornton.in, India Ratings)*

#### Company Overview

Shivalik Small Finance Bank (SSFB) achieved a milestone by becoming India's first Small Finance Bank to transition from an Urban Co-operative bank, previously Shivalik Mercantile Co-operative Bank (SMCB). Founded in 1998 and with over 25 years of retail banking experience, SSFB has prioritised technology and customer focus since its inception. The Bank utilises the Infosys Finacle Core Banking and Digital Banking Suite, including internet and mobile banking. Its cloud-based infrastructure provides agility for cost-effective scaling and growth. Shivalik is accessible on all retail payment platforms and is a direct member of the National Financial Switch.

Our vision is to be a trusted financial services provider and model employer, empowering small and underserved segments with digitally driven, affordable banking solutions. Guided by our vision,

we proudly serve 9.8 lakh unique customers through a growing network of 192 branches and exclusive Business Correspondent (BC) outlets, ensuring seamless access to financial services. Combining innovation with a customer-first approach, we aim/ seek to deliver a differentiated banking experience that promotes financial inclusion and growth.

#### Segment-wise Business performance

##### Digital Products

Shivalik Bank is on a transformative journey to becoming a digital-first institution, focussing on delivering convenient, secure, and efficient financial services to its customers. Its digital banking roadmap includes advanced mobile banking services, seamless digital payment solutions, and digital onboarding processes designed to improve the overall banking experience. Key recent initiatives include the launch of a personalised contactless platinum card offering faster, secure transactions and exclusive benefits. The Bank has introduced sound boxes to provide merchants with instant audio confirmation of payments, enhancing business transparency. Its API-based e-mandate solution enables customers to authorise recurring payments securely and efficiently.

The Bank's digital offerings also feature Digital Fixed Deposits accessible via standing instructions, facilitating automated savings growth. Integration with the Bharat Bill Payment System (BBPS) allows customers to pay loan EMIs conveniently through multiple third-party apps. Branch services have been automated to streamline routine operations like address or PAN updates, debit card issuance, and form submissions, reducing customer wait times and improving service efficiency.

Enhancements to Shivalik's mobile app, mshiFFt, include additional bill payment categories, feedback options, and overdraft account transactions, further improving user convenience.. The National Common Mobility Card (NCMC) and UPI Lite are also available, supporting contactless payments and fast, small-value transactions without the need for a PIN.

#### Information Technology

Shivalik Bank's technology infrastructure is powered by Infosys' Finacle Core Banking Suite. The solution gives the Bank agility and scalability to manage growth efficiently. It supports real-time transactions across all major payment platforms, including UPI, IMPS, NEFT/RTGS, and the National Financial Switch. The Bank successfully migrated to a new UPI switch, optimising transaction costs and enhancing regulatory compliance.

The Bank's IT initiatives also include deployment of the National Automated Clearing House (NACH), utilisation of Paycraft platforms for debit card management, and operation of advanced reporting servers (ADF). Automation of branch services through digital workflows improves operational efficiency and customer service by enabling quicker processing of routine transactions. These foundational IT investments bolster the bank's digital



transformation efforts by improving system reliability, security, and the overall customer experience.

### Liquidity Management

The Treasury Department follows a robust and well-structured approach to liquidity management, ensuring that the Bank consistently maintains adequate cash flow and liquid assets to meet its financial obligations on time. As part of its strategy, the Bank adopts a mix of short-term funding solutions and contingency planning. This includes the ability to monetise non-core investments either through outright sale or by raising borrowings against them, accessing refinance facilities, and exploring options such as overdrafts against deposits. In FY 2024-25, the Bank optimised fund utilisation by accessing refinance facilities from SIDBI and NABARD and NHB.

### Strategic Outlook

The Company's strategic focus for FY 2025-26 will centre on enhancing its operational efficiency and expanding its market reach. The Company will prioritise lowering its cost of funds through improved Current Account and Savings Account (CASA) ratios and the establishment of strategic partnerships within

the foreign exchange (forex) and Non-Resident Indian (NRI) segments. On the lending front, Shivalik will enhance its in-house loan origination capabilities and further strengthen its gold loan business. The launch of new Corporate and Retail Internet Banking platforms is also planned to expand digital service offerings.

Furthermore, the Company will aim to elevate customer experiences by focussing on cross-selling, bundling insurance products, and deepening its use of artificial intelligence (AI) for hyper-personalisation. This high-level vision is to build a resilient, digital-first bank that empowers small businesses, underserved communities, and women entrepreneurs, thereby contributing to India's inclusive growth.

The Company stands on strong foundations built upon prudent risk management, a secured lending bias, industry-leading deposit metrics, and a forward-looking technology strategy. As Shivalik progresses into FY 2025-26, its focus will remain on deepening financial inclusion, improving the customer experience, and building resilience against evolving risks. With the continued trust of the Company's stakeholders and the sheer dedication of its teams, Shivalik is confident in its ability to strengthen its position as a leading small finance bank in India.



## Financial and Operational Performance

### Income statement

(₹ in Crore)

	FY 2024-25	FY 2023-24	Y-o-Y Change
Deposits	3,161	2,410	31.2%
Investments	651	593	9.8%
Advances (Net of provisions)	2,935	2,095	40.1%
Net Worth	351	232	51.3%
Net Interest Income	167	136	22.8%
Realised gains from Treasury activities	4.68	1.24	278%
Non-Interest Income	48	29	65.5%
Total Income	215	165	30.3%
Pre-Provision Operating Profit	20.91	18	13%
PAT	0.94	2.40	-60.8%
Average Assets	3,390.02	2,522	34%
Return on Average Total Asset (ROA)	0.03%	0.08%	-63%
Return on Average Total Equity (ROE)	0.27%	1.96%	-86%
Gross Non-Performing Asset (GNPA)	2.70%	2.01%	69.0%
Net Non-Performing Assets (NNPA)	1.51%	0.84%	79.8%

### Human Resource Management

The Company focussed on deepening employee engagement and fostering a high-performance, inclusive work culture in FY 2024-25. Branch-level engagement was strengthened through the HR Business Partner model, while recognition initiatives included new categories appreciating both outcomes and values-based contributions. The Company marked milestones such as the Small Finance Bank anniversary, enhancing employee belonging and morale.

Diversity and inclusion remained core priorities. Women made up 17.3% of the total workforce and held 17% of leadership roles, with five differently abled employees on the team. Key initiatives included targeted hiring drives for fresh graduates (26% of new hires), dedicated support for women, structured diversity-based recruitment, and strict implementation of the Prevention of Sexual Harassment framework. The Company maintained a zero-tolerance stance on discrimination.

A comprehensive talent development strategy was pursued, highlighted by internal successions and structured learning journeys tailored for various officer roles. Significant investments went into leadership capability-building, personal growth, and service excellence. The Emerging Bankers Program provided classroom and branch-immersion training for twenty-four Probationary Officers, while Management Trainees completed customised onboarding. Digital HR upgrades, such as a new payroll platform, improved process transparency and onboarding alignment.

Employee well-being was actively promoted through regular health and eye check-up camps and the celebration of festivals and national days. Structured rewards and recognition schemes, cultural events, and wellness initiatives collectively boosted morale, resulting in a low regrettable attrition rate of 12% in FY 2024-25.

### Compliance

- Shivalik Small Finance Bank is committed to fostering a culture ingrained in compliance, integrity, and ethical conduct. We believe that building a compliance-oriented environment begins with creating awareness across all levels of the organisation and encouraging each employee to develop a personal commitment to doing what is right
- Compliance is a shared responsibility that starts at the top. Our Board of Directors and Audit Committee bear ultimate accountability for overseeing compliance risk management and ensuring consistent implementation of the compliance risk management framework across the Bank. The dedicated Compliance Unit plays a central role in strengthening this culture of adherence, supported by a zero-tolerance approach toward any breach of regulatory obligations
- Our endeavour is supported by best-in-class governance practices and a robust compliance framework designed to maintain the highest standards. The Bank periodically reviews and updates its policies, procedures, and methodologies to ensure strict adherence to the directives and regulations prescribed by the Reserve Bank of India and other relevant regulatory authorities







### Internal Controls & Systems

The Bank operates a comprehensive internal control system designed to safeguard its assets, reduce risks, and ensure the accuracy and reliability of financial reporting. The Internal Audit Department employs a risk-based internal audit (RBIA) framework, aligning with regulatory requirements.

Internal audits are conducted according to an approved annual plan, covering all branches, credit audits, revenue audits, information systems audits, and head office audits. Additionally, the internal audit team assesses internal financial controls against established criteria, consistent with ICAI standards. Reports are thoroughly reviewed at relevant levels, and corrective actions are taken as necessary.

### Risk Management and Mitigation

The Bank's risk management framework has been designed to ensure that its business operations create value for all stakeholders by optimising/managing rather than eliminating risks. To achieve these goals, the Bank has sound risk management policies approved by the Board of Directors.

The Bank's board of directors have put in place a suitable structure and policies for risk management. The Board establishes the Bank's Risk Management Policies and approves limits by examining its risk appetite, capabilities, and risk-bearing capacity. The Board oversees management's attempts to balance growth, risk-taking, and stakeholder value. A seasoned executive management team and Board Committees serve the Board. As mandated by the regulator, the Bank has appointed a Chief Risk Officer to handle the risk management function through a specialised risk management department.

The internal audit function collaborates closely with the Risk Management and Compliance departments, creating a strong second line of defence.

### Creating Value Through Proactive Risk Management

The Bank's risk management framework focusses on optimising and managing risks, rather than simply removing them, to ensure its business activities generate value for all stakeholders.

The Chief Risk Officer (CRO) is responsible for overseeing the development of suitable structures, policies, and processes for effective risk management across all the Bank's strategic areas.

Risk	Mitigation Process
Credit Risk	The Bank has a Board-approved credit policy which covers the lifecycle of credit sanction, administration, and monitoring. Credit policy & processes help the Bank in handling risk identification, measurement, monitoring & mitigation. Bank assesses the creditworthiness of each customer, product and geography at multiple levels to mitigate credit risk. In addition, it periodically evaluates the quality of the loan portfolio, concentration issues, detects concern areas, identifies early warning signals, instructs business units to correct the shortcomings, offers corrective steps, and monitors the activities performed. The Bank has been continuously evolving its credit approval processes and methodology, which has helped the Bank to minimise credit risk.
Liquidity Risk	For controlling Liquidity Risk, the Bank complies with regulatory standards on Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and Asset-Liability Management (ALM) mismatches, as shown by the Structured Liquidity Statement and ensures that these remain within regulatory and Board-approved levels. The Asset & Liability Committee of the executives meets every month to review the liquidity and interest rate risk parameters. The Bank has implemented a comprehensive ALM suite, which generates liquidity risk management matrices, i.e. LCR, SLS & IRS automatically on a daily basis.
Operational Risk	<p>To manage Operational Risk, the Bank has implemented an Operational Risk Policy.</p> <p>Has implemented Key Risk Indicator (KRI) and Risk Control Self-Assessment (RCSA) Registers and maintains a loss data register to collect details of operational loss events.</p> <p>The Executive Committee on Operational Risk (ORMC) meets regularly to review the operational aspects of the Bank and review operations. Furthermore, the Bank conducts root cause analysis of losses and loss events.</p> <p>The Bank regularly monitors IT and non-IT related operational risks in the Bank.</p>

Risk	Mitigation Process
Interest Rate Risk	To assess & manage the interest rate risk (IRR), the Bank prepares the Interest Rate Sensitivity Statement (IRS) by bucketing all risk-sensitive assets & liabilities in various buckets on a daily basis. In order to measure the risk associated with changes in interest rates, the Bank conducts Total Gap Analysis, Duration Gap Analysis and regular stress tests. The purpose of these tests is to ensure that the potential losses incurred because of changes in interest rates are contained within the tolerance levels established by the Board.
Reputation and Strategic Risks	<p>The Bank computes Reputational and Strategic risks scores on a quarterly basis, as well as carries out a trend analysis to determine the direction and level of these risks. Under Reputational Risk, SSFB is monitoring online and offline sources for any adverse media publicity. Compliance with laws and regulations is also part Reputational Risk Scorecard.</p> <p>Under strategic risk, the focus is more on qualitative assessment of risks like Business Continuity Planning, Resource Utilisation, Responsiveness to change in financial, technological, external, and regulatory environment and new strategic investments/tie-ups/expansion plans, while keeping track record of strategic investments and meeting business targets. The Bank computes the strategic risk score on a quarterly basis for analysing the trend to take remedial action wherever needed.</p>
Information Security and Cybersecurity Risks	The Bank has Board-approved Information Security and Cyber Security Risk management policies in line with the regulatory requirements for scheduled commercial banks. The Bank is fully responsible for the identification, measurement, control, and monitoring of technological risks to avoid threats to the Bank's hardware, applications, data & systems. We have put in place tools for management of these risks, like Cyber Security Operations Centre, regular disaster recovery drills, End-point Security, regular Vulnerability assessment (VA) & Penetration testing (PT) exercises, regular and timely patching of software and hardware, Phishing Simulation exercise and regular training of the staff in these areas.
Outsourcing Risk	The Bank has a Board-approved Outsourcing Policy. Outsourcing arrangements can be a source of several risks, such as the failure of a service provider in providing specialised service, a breach in security/confidentiality, or non-compliance with legal and regulatory requirements by the service provider can either lead to financial losses or loss of reputation. Bank therefore ensures effective management of these risks through legally tenable SLAs, proper due diligence & risk assessment of the partners before their onboarding. In addition, the Bank does a 360° risk assessment of all financial outsourcing vendors on an annual basis to detect vulnerabilities, if any.

### Environmental, Social and Governance

Shivalik Bank advanced its environmental sustainability efforts through energy-saving measures, support for electric vehicles, and reductions in paper and plastic usage. The Bank also actively promoted tree-planting initiatives and maintained green spaces. Further, it focussed on empowering women through financial education and increasing diversity within its workforce. Ethical conduct was upheld through clear policies, a disciplinary committee, and transparent stakeholder communication. Legal compliance and data security were ensured via proactive audits and robust security protocols.

### Cautionary Statement

This Annual Report contains forward-looking information, provided to enable investors to understand our prospects and make informed investment decisions. This report, and other

statements, both written and oral, that we issue periodically, include forward-looking statements that describe anticipated results based on management's plans and assumptions. We have aimed to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and similar expressions when discussing future performance. While we believe our assumptions are reasonable, we cannot guarantee that these forward-looking statements will be realised. The achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could differ materially from those anticipated, estimated, or projected. Readers should bear this in mind. We are under no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.



# BOARD’ REPORT

To  
The Members,  
Shivalik Small Finance Bank Limited

Your Board of Directors take great pleasure in presenting the Fifth (5th) Board Report on the business and operations of your Bank together with the Audited Financial Statements and Independent Auditor’s Report thereon for the financial year ended 31st March 2025.

## 1. Financial Results

The Bank’s financial performance for the year under review along with the previous year’s figures are given hereunder:

### Operations and activities

(Amount ₹ in Thousand)		
Particulars	Financial Year Ended on March, 2025	Financial Year Ended on March, 2024
Total Revenue	42,28,840	30,93,760
Total Expenses	42,19,412	30,69,806
Profit/(Loss) for the year/period	9,428	23,954
Add: Balance brought forward	10,135	(6,610)
Tax Expense:		
Current Tax	32,925	38,163
Deferred Tax	(31,772)	(30,632)
Yield on Advances	13.8%	14.1%
Yield on Investment	7.3%	7.5%
Cost of Deposits	6.9%	6.2%
Credit Deposit Ratio	94.0%	88.0%
Advances (net off NPA provisions)	2,93,45,595	2,09,53,790
Deposits	3,16,10,625	2,40,96,555
Gross NPA/Net NPA	2.7%/1.5%	2.0%/0.8%
Provision Coverage Ratio (including technical write off)	52.42%	63.03%
Capital Adequacy Ratio	20.8%	20.2%
EPS (Basic)	0.07	0.22
EPS (Diluted)	0.07	0.21

## 2. Key Performance Highlights

Your Bank witnessed growth and consistent performance in FY 2024-25. The key financial performance indicators for the year under review are outlined below:

- Revenue increased to ₹ 422.89 Crores for FY 2024-25 vis-à-vis ₹ 309.38 Crores for FY 2023-24 registering YoY growth of 37%.
- Deposits increased to ₹ 3,161.06 Crores for FY 2024-25 vis-à-vis ₹ 2,409.66 Crores for FY 2023-24 registering YoY growth of 31%.
- Advances increased to ₹ 2,934.56 Crores for FY 2024-25 vis-à-vis ₹ 2,095.38 Crores for FY 2023-24 registering YoY growth of 40%.
- Balance sheet size grew to ₹ 4,119.75 Crores as on March 31, 2025, vis-à-vis ₹ 3,028.52 Crores as on March 31, 2024, registering YoY growth of 36%.

## 3. Overview and State of Affairs of the Bank

The Bank continues to be categorised as a ‘Small Finance Bank’ under the RBI Regulations and during the year it continued to carry on business as ‘Small Finance Bank’. As a growing ‘Small Finance Bank’, it has been expanding its area of operations and customer base. The management has been investing in digital solutions to support Bank’s expanding operations, as required from time to time.

### Assets Business Outlook

**As India's first Urban Co-operative Bank to transition into a Small Finance Bank,** Your Bank has strategically diversified the asset portfolio to cater to the evolving financial needs of our customers. With more than 25 years of experience in retail banking, we offer a comprehensive suite of financial products aimed at fostering financial inclusion and supporting economic growth across different asset classes. In FY25, the bank's advances grew by 40% year-on-year, reaching ₹ 2,970 crores, reflecting robust demand and effective credit delivery mechanisms. Bank's Asset Business strategy is characterised by a diversified product portfolio, customer-centric solutions, and a strong emphasis on technological integration, positioning the bank to play a significant role in promoting inclusive economic growth and financial empowerment. Your bank continues to prioritize micro and retail lending, focusing on individuals and businesses traditionally underserved by formal financial institutions.

### Loan Against Property

Your Bank offers a varied range of products under Loan Against Property (LAP) to cater to individual as well as non-

individual entities, with an emphasis on the Micro, Small and Medium Enterprises (MSME) sector. While covering the needs of the formal segment, your Bank has developed various programs and measures to make MSME lending accessible to the informal and unorganised sector as well. The loan under this product is currently being offered in the states of Uttar Pradesh, Delhi-NCR, Madhya Pradesh, Haryana, Uttarakhand, and Rajasthan. The LAP portfolio has increased by 57.54% YOY. Currently the LAP portfolio constitutes the highest share in the Bank’s Asset Portfolio. The Bank continues to focus on expanding the LAP portfolio and increase its penetration further.

### Housing Loan

Your Bank has been offering Housing Loans and Affordable Housing loans to the customers in the lower- and middle-income groups and helping the unbanked and underbanked areas in constructing or purchasing houses since its inception. Committed to its objective to reach out to the last mile customers, Your Bank has made Housing Loan product available even at the bottom tiers of Uttar Pradesh, Delhi-NCR, Madhya Pradesh, Haryana and Uttarakhand. The Housing Loan portfolio has seen a rise of 74.82% YOY.

### Gold Loan

Your Bank’s Gold loan portfolio is aimed at providing swift and secure credit solutions to a diverse customer base. These loans are characterised by minimal documentation requirements, quick disbursement, assurance of gold security, and making them an attractive option for customers seeking immediate liquidity for various needs such as agriculture cultivation and allied activities, business expansion, education, or medical emergencies.

In FY25, Bank's gold loan portfolio grew by 35% YOY. The growth reflects bank's strategic focus on expanding its reach and enhancing its product offerings to meet the evolving needs of its customers. In FY 25 Bank strengthened branch channel in Gold Loan business & achieved growth of 36% YOY.

### Micro Banking

Your Bank is committed towards advancing financial inclusion through its microfinance operations, primarily targeting underserved and unserved segments across rural, semi-urban locations in India. The micro finance business is spread across 5 states, covering 82 districts through 149 exclusive Business Correspondent (BC) branches.

Bank offers Micro Loans under the Joint Liability Group (JLG) model to women engaged in income generating activities seeking financial independence. The loan features simplified documentation, flexible repayment options, attractive interest rates, with a maximum tenure of 24 months.



Your Bank has streamlined the entire journey from customer onboarding to loan disbursements. Customers are onboarded via biometric based e-KYC post which credit decisioning happens on a real time basis digitally through APIs. The loan documents are executed digitally, and loan disbursement is done directly into bank account of the customers. The digital journey not only enhances operational efficiency but also aligns with SSFB's vision of delivering affordable, digitally focused products to small and underserved segments, thereby reinforcing its commitment to financial empowerment.

#### Agri Finance

Your Bank offers a diverse suite of financial solutions tailored to the unique needs of farmers, Agri-entrepreneurs, and rural communities. Our Agri loan portfolio includes offering loans against commodity finance (WHR), unsecured Agri loans to small & marginal farmers. These products are structured with flexible repayment options with competitive interest rate. In FY, 2025, our agricultural loan portfolio stands at ₹ 288.31 crores, with a presence across 14 states.

To strengthen the agricultural value chain, Your Bank has partnered with multiple Business Correspondents (BCs), to offer Warehouse Receipt Finance & unsecured Agri loans and Kisan Credit Card. This collaboration enables farmers, Farmer Producer Organisations (FPOs), traders, and Agri-intermediaries to avail loans against stored agricultural commodities, providing them with immediate liquidity and the flexibility to sell their produce at favorable market conditions.

#### Wheels Loan

The offering of the Loans under the Wheels segment of the Bank was revamped and launched in July 2023. Ever since the Bank has grown the wheels portfolio to ₹ 419.60 Crores as of 31st March 2025. With a focus on the commercial vehicle loan (CVL) segment, the Bank has also ventured into the Electric Commercial Vehicle (ECVL) financing space in FY 24-25, promoting a transition to a greener and cleaner energy alternative. The primary focus is on income generation through the means of lending to support the underserved segment across 11 states in India. As of 31st March 2025, the Electric Vehicle loan portfolio stands at ₹ 94.27 Crores, and the average ticket size is around ₹ 5 Lakhs.

#### Liabilities Business Outlook

The Bank's Liabilities Business consisting of CASA and Term Deposits, comprising sourcing primarily through our core branches and embedded finance vide fintech collaborations, seeks to establish a resilient liabilities base with key focus on Retail Deposit growth. At the end of FY 24-25 the aggregate deposits of the Bank stood at ₹ 3,161.66 Crores with a growth of 31.20% on YoY basis. In this the share of CASA and Retail

Term Deposits stood at 77.86% of overall deposit book at end of FY 24-25. In the Term Deposit book space, the book grew by 41.24% YoY with the Retail Deposit book standing stood at 71.46% for FY 24-25 (it grew by 49.95% YoY)

To supplement the liability business, the Bank focused on new digital initiatives helping in enhancing value added solutions and launch of new services. The new age Mobile Banking 2.0 version was launched with app called "mshIFFt", offering customers a convenient and easy access platform to manage their finances On-The-Go. The Bank also started offering Personalised Debit Cards with Tap-n-Pay (Contactless) payment feature. It was further enhanced with NCMC (National Common Mobility Card) being enabled into it allowing customers to use their debit cards as Transit Card too. Account Welcome Kit was another feature added wherein now the customer will get the Personalised Cheque book and Personalised Debit Card both delivered collectively to their mailing address.

Through our fintech partnership for Digital Fixed Deposit, the Bank enhanced its offering by initiating Fixed Deposit booking through UPI Auto-Pay mandate setup, which was first of its kind in the industry. This was further extended for allowing Recurring Deposit booking with monthly recurring SI being collected through UPI Auto-Pay mandate feature.

The cost associated with our liability business, covering interest on Savings Account and Term Deposits, are influenced by external factors like market dynamics, interest rate policies, competition offering and even liquidity availability. Shivalik Bank has adopted a prudent and controlled approach to managing its deposit portfolio. In contrast to several peer banks in the Small Finance Bank space where we see observed increased / higher deposit rates throughout the year, Shivalik has taken a measured and strategic approach to rate adjustments. This has enabled us to maintain a well-controlled Cost of Deposit (COD) below 7% and overall Cost of Funds (COF) at 7.1% at end of March'25. These cost advantages also allowed us to offer loans at attractive rates while preserving healthy margins. In line with our strategy to optimize the cost of funds, the Bank has also taken effort to less reliance on Bulk Deposit, which is less than 25% of the overall Liability Deposit Book as on March'25. Overall, our balanced strategy reflects a commitment to sustainable growth, combining customer value, cost efficiency, and financial prudence.

To augment the growth in the coming year and as part of its strategic roadmap, the Bank would be further strengthening our digital first approach. To cater to the need for business segment customers, the Bank would be launching Corporate Internet Banking (CIB platform) providing the option of Bulk Payment and Workflow Authorisations, along with other host

of services. The Bank would also be re-launching its Retail Internet Banking in a new avatar with better UI/UX in line with the need of current times. UPI facility would be further enhanced with UPI Lite being available for linking with Shivalik Bank account and UPI PSP integration bank paving the way to strengthen its position against non-bank PSP's.

#### 4. Dividend

In term of the Reserve Bank of India ("RBI") guidelines, your Bank has formulated and adopted a Dividend Distribution Policy with an objective to appropriately reward shareholders through dividends for reposing their confidence in the Bank over the years while retaining the sufficient capital required for supporting future business growth requirements. During the financial year under review, the Board of Directors has not recommended the payment of a dividend.

#### 5. Transfer to Reserve

As per the requirement of the Reserve Bank of India ("RBI") Regulations, the Bank has transferred the following amount to various reserves during FY 2024-25:

Amount transferred to	Amount (₹ in crore)
Statutory Reserve	0.24
Investment Fluctuation Reserve	-
Capital Reserve	0.58
Special Reserve u/s 36(1)(vii) of Income Tax Act	0.13
Contingency Reserve	-
Provision on Standard Assets (including a provision on restructured assets)	2.25
ESOP Reserve	0.38

#### 6. Change in the nature of business

During the period under review, there has been no change in the nature of the business of the Bank.

#### 7. Subsidiary & Associate Companies

The Bank does not have any subsidiary or associate. Hence, the details of this clause are not applicable to the Bank. Accordingly, the Bank is also not required to formulate a specific policy on dealing with material subsidiaries.

#### 8. Details of Employee Stock Options Plan

Pursuant to the resolutions passed by the Board and the Shareholders, Your Bank has adopted the "2021 Employee Stock Option Scheme" ("SSFB ESOP 2021"). The Bank may grant an aggregate number of up to 57,25,667 employee stock options under "SSFB ESOP 2021". The objective is to enable the Bank to attract and retain the best available talent to contribute and share in the growth of the Bank.

The Scheme is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Bank.

Information as required under Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rule, 2014 as on 31st March 2025 are hereunder:

Particulars	Total
Number of options granted	41,82,241
Number of options forfeited / lapsed	4,40,184
Number of options vested	12,05,699
Number of options exercised	-
Number of shares arising as a result of exercise of options	-
Money realised by exercise of options (INR), if scheme is implemented directly by the Company	-
Option Granted (net of forfeiture) but not vested	25,36,358
Options Vested but not exercised	12,05,699
Options Available for Grant the exercise price	15,43,426
Variation in terms of options	No Change during FY 2024-25

Employee wise details of options granted to:		
a. Key Managerial Personnel;	i.	Mr. Anshul Swami, MD & CEO: 11,42,005
	ii.	Mr. Gaurav Seth, CFO: 2,10,000
	iii.	Ms. Shruti Pandey: 28,473
b. any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year.		Details of employees who receive a grant of options amounting to five percent or more of options granted during the year under review are:
	i.	Mr. Anshul Sharma-1,45,000 (in FY 24-25)
	ii.	Mr. Ramesh Thimmana: - 1,05,000 (in FY 24-25)



Particulars	Total
c. identified employees who were granted an option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

### 9. Meetings of the Board of Directors

The schedule for the Board and Committee meetings to be held during the next financial year is circulated in advance to all the Board Members.

During the year under review, five (5) Board meetings were conducted, with the interval between the meetings never exceeding 120 days, in compliance with the requirements of the Companies Act, 2013, the rules made thereunder and Secretarial Standard - I Issued by Institute of Company Secretaries of India. The dates of these Board meetings and attendance details of each Director are disclosed in the Report on Corporate Governance.

### 10. Board Committees

The Bank believes that the Board Committees are pillars of good corporate governance and are crucial to promoting the best Corporate Governance practices within the Bank. Accordingly, the Bank has constituted various Board Committees to improve the Board efficiency and to support decision making. The constitution of these Committees is in acquiescence of provisions of the Companies Act, 2013, and relevant rules made thereunder, the Banking Regulation Act, 1949, various Circular & Guidelines issued by the Reserve Bank of India from time to time, the Articles of Association of the Bank and other guidelines issued from time to time. The details of the Board Committees of the Bank including number & date of meetings of Committees held during FY 2024-25 and attendance thereat are disclosed in the Corporate Governance Report.

Further, to improve the Board's effectiveness, efficiency, and fast decision-making, the Bank has also constituted a few non-statutory Board Committees. A strong, independent, and diverse, Board ensures effective corporate governance across the organisation. The independent Board committees engage throughout the year to deliver best-in-class governance practices and periodically review the policy framework to maintain its robustness.

As on 31st March 2025, the Bank has Nine (9) Board Committees as detailed below:

S. No.	Committees	Number of Meetings Held
1.	Audit Committee	4
2.	Customer Service Committee	4
3.	Willful Defaulter Review Committee	2
4.	Risk Management Committee	4
5.	Special Committee of the Board for Monitoring and follow-up of cases of Frauds (Formerly known "Special Committee for monitoring of Large Value frauds")	1
6.	Nomination and Remuneration Committee	5
7.	IT Strategy and Information Systems Security Committee	4
8.	Credit and Investment Committee	8
9	Capital Management Committee	2

### 11. Meeting of Independent Directors

In terms of Schedule IV of the Companies Act, 2013, the Independent Directors are required to hold at least one meeting in a financial year without the presence of Non-Independent Directors and Members of the Management, to review the matters as set out therein.

During the Financial Year 2024-25, the Independent Directors met on 5th June 2024, chaired by Mr. Shankar Aggarwal and discussed & reviewed inter alia below matters:

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

### 12. Declaration by Independent Director

All the Independent Directors of the Bank have confirmed and have given declarations that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Companies Act, 2013. The Board has assessed the veracity of the confirmations submitted by the Independent Directors and thereafter took the same on record.

In the opinion of the Board, all the Independent Directors possesses requisite domain knowledge, experience, expertise, integrity, and proficiency as required under the Code applicable for Independent Directors as stipulated under Schedule IV of the Act and in terms of policies of the Bank.

The Independent Directors have complied with the Code applicable for Independent Directors as stipulated under scheduled IV of the Companies Act, 2013. Further, all the Independent Directors have registered in the Independent Directors Databank and have paid the relevant fees. All the compliances of rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 have been complied with.

### 13. Compensation Policy for appointment and remuneration of Director's, Key Managerial Personnel and Senior Management Personnel

Pursuant to the provisions of section 178 of the Companies Act, 2013 read with relevant rules made thereunder, RBI guidelines and on the recommendation of the Nomination and Remuneration Committee, the Bank has formulated and adopted a comprehensive Compensation Policy for appointment and remuneration of its Directors, Key Managerial Personnel, Senior Management Personnel, Material Risk Takers (MRTs) and Control Function Staff.

The proposal for appointment of Directors is put up to the Nomination and Remuneration Committee ("NRC") along with requisite documents/disclosures received in the prescribed format for his/her proposed candidature as a director. The NRC evaluates the balance of skills, knowledge, qualifications, experience and carries out the 'fit and proper assessment' covering the review of the veracity of documents required for the post and if deems fit, the same is recommended for appointment to Board of Directors for their consideration and approval.

During FY 2024-25, as a part of Annual review, the Board of Directors reviewed the Compensation Policy.

### 14. Evaluation of Directors, the Board and Board Committees

In accordance with the provisions of Section 149(8) read with Schedule IV, Section 178(2), Section 134(3)(p) of the

Companies Act, 2013, the Bank has a structured assessment process for evaluation of the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman. Further, the Independent Directors met separately, without the presence of non-Independent Directors and Executive Management, and inter alia reviewed the performance of non-independent directors, and Board as a whole; and performance of the Chairman.

During the financial year under review, Performance Evaluation for Board, Board Committee, and Individual Directors were taken up by the Independent Directors of the Bank in their meeting held on 5th June 2024.

### 15. Statutory Auditor and their Report

In accordance with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated 27th April 2021 ('RBI Guidelines') issued by RBI, Banks shall appoint the Statutory Auditors for a continuous period of three (3) years, subject to the firms satisfying the eligibility norms each year and the approval of RBI on an annual basis.

The members of the Bank in the 4th Annual General Meeting held on 20th July 2024, appointed M/s GSA & Associates LLP, Chartered Accountants (FRN000257N/N500339) as Statutory auditors for a period of three (3) years, to hold office till the conclusion of the 7th Annual General Meeting of the Bank in accordance with the provisions of the Companies Act, 2013 on such remuneration as may be fixed by the Board of Directors of the Bank in consultation with the Auditors, subject the annual approval of Reserve Bank of India.

RBI vide its Letter dated 13th May 2024 had accorded its approval for the appointment of M/s GSA & Associates LLP, Chartered Accountants (FRN000257N/N500339) as Statutory Auditor of the Bank for FY 2024-25, for their first year.

There are no qualifications, reservations, adverse remarks or disclaimer made, and no frauds have been reported by M/s GSA & Associates LLP, Chartered Accountants in the Statutory Auditor Report for the Financial Year 2024-25. The Auditor's Report, enclosed with the financial statement, forms part of the Annual Report for the Financial Year 2024-25.

The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and as per the guidelines issued by RBI from time to time.

### 16. Secretarial Auditor and their reports

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and



Remuneration of Managerial Personnel) Rules, 2014 and upon recommendation of the Audit Committee of the Board, the Bank had appointed M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration No. P1988DE002500), to undertake the Secretarial Audit of the Bank for financial year ending 31st March 2025.

During the year under review and pursuant to provisions of the Section 143(12) of the Companies Act, 2013, no frauds have been reported by the Secretarial Auditors, and there were no observations or qualifications made by the Secretarial Auditors in their Report. The Secretarial Audit Report for FY 2024-25 in form MR-3 is annexed with Board's Report as Annexure 1.

## 17. Internal Financial Controls & their adequacy

Your Bank has an effective internal financial control system in line with the risk appetite of the Bank and aligned to the scale, size, and complexity of its operations. The scope and authority of the risk based internal audit function is defined in the Risk Based Internal Audit Policy of the Bank which is duly approved by the Board.

We are pleased to report that during the financial year, your bank continued to strengthen its Internal Audit function. During the Financial Year 2024-25, the following procedures were adopted to strengthen the internal audit function:

- Introduction of Offsite Monitoring in Branch Banking to address the recurring issues and critical areas.
- Revision of all the Audit Checklists to ensure enhanced audit coverage.
- Enhanced focus on Process issues other than operational issues thereby improving overall audit Quality.
- Setting up of Inhouse Information System Audit Vertical.
- Ensuring closure of audit issues within timelines.
- Introduction of internal trainings for all the staff.

Internal audit function focuses on evaluating and providing assurance on the effectiveness of our risk management framework, internal controls, and compliance with regulatory requirements. The RBIA methodology enables us to identify and assess key risks across various business areas, including Credit Risk, Operational Risk, Market Risk, And Liquidity Risk.

The Internal Audit Department conducts independent reviews and appraisals of internal procedures and operations. These reviews provide management with an independent

appraisal of the various operations and systems of control.

The internal audit team executed audits in accordance with the RBIA methodology, performing detailed testing and analysis to provide objective and independent assessments of the bank's risk management process.

Your Bank remains committed to enhancing our risk management framework and internal control systems through RBIA. It will continue to invest in training our internal audit team and leveraging technology to further strengthen our risk-based audit approach.

The internal audit function provides independent assurance to the Board of Directors and Audit Committee on the quality and effectiveness of the Bank's internal control, risk management and governance systems and processes.

Proper internal controls were in place and operating effectively for the period under review. Further, in compliance with the requirements of the Companies Act 2013, statutory auditors have issued an opinion with respect to the adequacy of the internal controls over financial reporting of the Bank and the operating effectiveness of such controls, details of which may be referred to in the Auditor's Report attached to the audited financial statements of FY 2024-25.

## 18. IND AS Implementation

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on 16th February 2015. Further, a Press Release was issued by MCA on 18th January 2016, outlining the roadmap for implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS) for banks. Banks in India were required to comply with the Indian Accounting Standards (IND AS) for financial statements for accounting periods beginning from 1st April 2018, onwards, with comparatives for the periods ending 31st March 2018, or thereafter.

On 5th April 2018, the RBI announced deferment of implementation date by one year for scheduled commercial banks. Subsequently, on 22nd March 2019, RBI has deferred implementation of Ind AS for banks until further notice, pending necessary legislative amendments to the Banking Regulation Act, 1949. The same is yet to be notified.

## 19. Particulars of Loans, Guarantees and Investments under Section 186

Pursuant to Section 186(11) of the Act, the provisions of Section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given, or security provided or acquisition of securities by a banking Bank in the ordinary course of its business.

The particulars of investments made by the Bank during the financial year 2024-25 are disclosed in schedule 8 of the financial statements as per the applicable provisions of the Banking Regulation Act, 1949.

## 20. Particulars of contracts or arrangements with related parties

Your Bank has in place a Board approved Policy on Related Party Transactions, which provides for the process, procedure and steps required for approval reporting and disclosure of related party transactions.

The Audit Committee of the Board has given omnibus approval for related party transactions of repetitive nature and entered in the Ordinary Course of Business.

During the financial year under review, all transactions with related parties were in the ordinary course of the business and on an arm's length basis. The transactions entered by the Bank with related parties were reported to the Audit Committee.

Hence, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, Form AOC-2 is enclosed as Annexure 2. The requisite disclosure has been made under Schedule 18 of the notes forming part of audited financial statements for the financial year ended 31st March 2025.

In line with the requirements of the Companies Act, 2013, your Board has approved the policy on Related Party Transaction and the same is disclosed on the website of the Bank at <https://shivalikbank.com/regulatory-section/policies>.

## 21. Disclosure pursuant to Section 177(8) of the Companies Act, 2013

During the Financial Year 2024- 2025, there was no recommendation of the Audit Committee which was not accepted by the Board.

## 22. Disclosure pursuant to Section 197(14) of the Companies Act, 2013

The Bank does not have any holding or subsidiary company, therefore no disclosure is required to be made pursuant to the provisions of Section 197(14) of the Companies Act, 2013 and as per the relevant rules thereunder.

## 23. Disclosures under Section Sec 134(3)(l) of the Companies Act, 2013 w.r.t. Material changes and commitments affecting the financial position of the Bank

There were no material changes or commitments affecting the financial position of the Bank, between the end of the

financial year of the Bank to which the financial statements relate and up to the date of this report.

## 24. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 is set out as under: -

### Conservation of Energy:

As a banking institution, our primary energy consumption stems from electricity and diesel used in generators. To enhance efficiency and minimize waste, we allocate specific energy budgets for our Head Office and branch locations, supported by regular monitoring and review.

In FY'25, we implemented a range of conservation initiatives including:

- Transition to energy-efficient LED lighting,
- Deployment of power-saving air conditioning systems, and
- Increased utilisation of natural daylight across our premises.

These initiatives collectively resulted in a 4% reduction in electricity consumption and an 11% decrease in generator fuel usage.

In line with our environmental commitment, we commemorated Earth Day with a tree plantation drive in Saharanpur. Internally, our digitisation efforts led to a 9% reduction in paper usage. Externally, we strengthened our green portfolio by financing over 1,900 electric vehicles, disbursing a total of ₹ 73.74 crore.

### Technology Absorption:

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

Your Bank continues to demonstrate strong technology absorption by proactively integrating advanced digital solutions into its operations. Recent initiatives such as the launch of mshIFt mobile banking, Open API-stack, API based e-mandate solutions, Automation of multiple branch services, fully digital solution for customer onboarding for deposits and QR Code deployment etc highlight the Bank's



commitment to leveraging technology for superior customer experience and operational efficiency. Through continuous upgradation and adoption of emerging technologies, Shivalik is strengthening its position as a digital-first small finance bank.

1. **Digital Banking:** Bank is committed to delivering seamless, secure, and intuitive digital banking experience to its customers. Through continuous enhancement of digital channels, the Bank aims to provide convenient access to a wide range of banking services. Focused on innovation and customer-centricity, Shivalik is building a robust digital ecosystem that supports real-time transactions, personalised services, and greater financial inclusion.
2. **Mobile Banking App:** Bank's mobile banking app is named as mshIFFt which offers customers a convenient, secure, and user-friendly platform to manage their finances anytime, anywhere. With a focus on simplicity and functionality, the app empowers users to perform a wide range of banking activities, from fund transfers to service requests, while ensuring a smooth digital experience. Continuous upgrades and innovations keep the app aligned with evolving customer needs and technological advancements.
3. **Video KYC:** Bank has adopted Video KYC to simplify and accelerate the customer onboarding process. This secure and fully digital solution enables customers to complete their KYC verification remotely, without the need to visit a branch. By leveraging technology, Shivalik ensures faster account opening, enhanced convenience, and compliance with regulatory standards, while delivering a seamless banking experience.
4. **Adoption of E Receipts:** Bank is actively promoting the adoption of e-receipts to enhance customer convenience and support environmental sustainability. Customer gets the e advise on his registered e mail ID immediately, as soon he books the deposit through any channels, customer gets the account statement direct on his e mail IDs, transactional notifications for debit, credit or for many non-financial transactions, with the help of e sign, customer gets some of the loan agreements in digital forms for signing etc. So, by shifting from paper-based receipts to digital formats, Bank ensures faster, more secure, and easily accessible transaction records. This initiative reflects Shivalik's commitment to innovation, operational efficiency, and eco-friendly banking practices.

5. **Cloud Computing and Storage:** Bank is leveraging cloud computing and storage solutions to enhance scalability, security, and operational efficiency. By adopting cloud technologies, the Bank ensures faster deployment of services, improved data management, and greater flexibility to innovate. This strategic move supports Shivalik's vision of building a resilient, agile, and future-ready digital infrastructure.

6. **API Summary:**
- a) The monthly API calls increased to 39.31 lakhs for March 2025 (from 17.03 lakhs on March 2024).
  - b) Yearly VKYC calls increased to 53,298 (from 14,571).
  - c) Yearly amount booked from Digital FDs via APIs increased to ₹ 361 crores (from ₹ 107 crores).

7. **Infra Summary:**

Core Banking (CBS) Infra is hosted in a private-area at Ctrl-S. The Bank has critical front-end applications on the AWS Public Cloud (Mobile Banking, Internet Banking, MSME Corporate Internet Banking) connected to the CBS via APIs developed using the Oracle Integration Cloud (OIC). The Bank has exited all other clouds and reduced its footprint to 3 main providers. Post the augmentation, consolidation and tuning exercises; the Bank now supports a TPS of 50+

#### Foreign Exchange Earnings and Outgo

During the financial year under review, there was Nil Foreign Exchange earnings and/or outgo in the Bank.

## 25. Know Your Customer (KYC) / Anti-Money Laundering (AML)

The Bank consistently adheres to the Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines issued by the Reserve Bank of India (RBI). The Bank's KYC/AML Policy is aligned with the provisions of the Prevention of Money Laundering Act, 2002 (PMLA), as well as the guidelines issued by the RBI and the Indian Banks' Association (IBA), which are updated periodically. The Bank also complies with various regulatory reporting requirements as mandated by the Financial Intelligence Unit (FIU) of the Government of India.

To enhance compliance, in FY 2024–25 the Bank implemented a new automated transaction monitoring system, managed by a centralised AML team. This system incorporates a fresh set of rules recommended by FIU-IND, significantly strengthening the Bank's ability to detect and prevent potential money laundering activities.

Additionally, the Bank places strong emphasis on training and capacity-building. Employees receive regular training on KYC and AML practices, while senior staff members actively participate in workshops and seminars conducted by FIU-IND, RBI, IBA, and the National Institute of Bank Management (NIBM). The latest updates from PMLA notifications and RBI guidelines are promptly integrated into the Bank's customer onboarding processes.

The Bank's KYC/AML Policy is reviewed annually by the Board, taking into account any amendments to relevant laws, guidelines, or regulatory expectations.

## 26. Human Resources

FY'25 marked a year of strong strategic progress for the HR function at Shivalik Small Finance Bank, driven by our commitment to growth, culture, and capability-building. Our workforce grew by 11%, reaching 831 employees, supporting our expanding footprint across 11 states.

### Strengthening Our Talent Pipeline

We placed a strong emphasis on future-ready talent through structured campus hiring. We welcomed 24 Probationary Officers under our Emerging Bankers Program, along with Management Trainees from prestigious institutions including SIBM, NIBM, IIM Lucknow, and IIM Amritsar. Notably, 28% of our new hires were fresh graduates, underscoring our dedication to grooming the next generation of banking leaders.

### Building Capability & Driving Engagement

Our investments in internal mobility and learning led to the successful rollout of role-based and risk-awareness training across all levels, achieving 100% training compliance. Regrettable attrition was maintained at a healthy 12%, supported by focused efforts to elevate employee engagement, career visibility, and internal growth opportunities.

### Fostering Inclusion & Impact

This year, our people practices reflected a deeper commitment to inclusion, recognition, and meaningful change. Gender diversity improved to 17%, with women also holding 17% of leadership roles. We continued building an inclusive workforce by onboarding five specially-abled employees across various functions.

### ESG & Sustainability in Action

In alignment with our ESG goals:

- We financed over 1,900 electric vehicles, disbursing ₹ 73.74 crore.

- ₹ 77 crores in microfinance loans empowered 18,000 women.
- ₹ 12.5 crores in credit supported 2,400 farmers.

Internally, we reduced paper consumption by 9%, electricity usage by 4%, and fuel usage in gensets by 11%. Our team also celebrated Earth Day by planting trees in Saharanpur, reaffirming our environmental commitment.

### Recognition, Culture & Well-being

We revamped our Rewards & Recognition framework with engaging and unique award categories like King of Maximum, The Hulk, Superhuman, and the Invictus Award for top-performing branches. Wellness camps, cultural celebrations, and the launch of a digital payroll portal further enriched our people-first culture.

### Looking Ahead

As we move forward, our focus will remain on deepening leadership development, scaling digital HR capabilities, and continuing to build a workplace where careers and purpose grow together.

## 27. Risk Management

Risk is the most critical element in financial services and Risk is even more critical for Banks considering that the Banks are custodians of public deposits. Banks are exposed to a wide variety of risks specifically - Credit Risk, Market & Liquidity Risk, Operational Risk, IT and Cyber Security Risk, etc. Bank has adopted a multi-layered risk management process to identify, assess, monitor, and manage risks through the effective use of policy, processes and information technology. Banking industry continues to face significant transformations due to changes in technologies, business model, regulatory standards, and other external and internal factors – as a result the nature and types of risks that impact a bank are continuously evolving.

Your Bank has an integrated risk management function, which is independent and is entrusted with the responsibility of managing risks prudently. The risk management philosophy and approach are designed to protect the interests of depositors, customers and shareholders. Risk function understands that growth comes with its inherent risk and same is to be addressed adequately through adequate controls and measures. Your Bank understands that we will need to be ever vigilant with respect to types of risk impacting it, monitor the known risks and mitigate the impact of some risks as and when they increase due to internal / external factors. Bank ensures that all the officials at leadership level are suitably qualified and experienced as per industry standards, have necessary skills and should remain updated as an ongoing process. The bank also arranges training for the officials to enhance their competencies. This helps Bank in better Risk Management.



Your Bank has constituted a Risk Management Committee which oversees the implementation of the risk governance framework in line with the guiding principles and as mandated by regulatory provisions. Bank has appointed a Chief Risk Officer (“CRO”), who administers the risk department covering the key verticals i.e. Credit Risk, Market & Liquidity Risk, Operational Risk, Fraud Risk, Information Security Risk, and other Risks under the guidance of the Board approved risk management policies and in accordance with the approval and responsibility delegation matrix. The CRO has unhindered access to the Risk Management Committee of the Board and interacts regularly with the Committee Members. The CRO is primarily responsible for making decisions on risk management issues that directly impact the strategic direction of the Bank and monitor the progress of risk management activities. The details of the Risk Management Committee and its terms of reference are set out in the Corporate Governance Report.

The Risk Management framework is a layered structure and broadly consists of the following aspects for effective risk management across the Bank:

#### (a) Credit Risk Management

**Risk:** Credit risk arises from business operations that give rise to actual, contingent, or potential claims against any counterparty, borrower, or obligor. The scope of the Credit Risk unit includes measuring, assessing, and monitoring credit risk within the Bank through strengthening underwriting norms, keeping close watch on asset quality trends and concentrations at individual exposures as well as at the portfolio level.

**Mitigation:** Your Bank has in place a board approved Credit Risk Policy which guides the management on prudential management of credit risk. The Risk Management Committee of the board is updated regularly on credit risk aspects by the Risk Department.

Credit Risk policy covers aspects of prudential limits on large credit exposures, asset concentration, portfolio management, I, risk concentration, monitoring and evaluation, provisioning, regulatory and other issues around it. Your Bank has laid down prudential limits and caps on various aspects to control the magnitude of credit risk. Loan monitoring is carried out through Portfolio Profiling, Early Warning Framework, LTV monitoring in respect to commodity loans and regular Monitoring of High Value Customers. The bank has also started taking CGMFU cover for the Micro-Finance portfolio.

Risk Management Committee follows the principles listed below:

- Ensure that a governance framework is established for an effective oversight, segregation of duties, monitoring and management of Credit Risk in the Bank.
- Ensure that the sourcing and approval of credit proposals are as per the defined strategies, systems, underwriting standards and processes.
- Ensure that guiding principles shall be laid down for the setting up and monitoring of the credit and credit risk appetite and limits.
- Establish standards to facilitate effective identification and assessment of credit risks in the Bank.
- Establish standards for effective measurement and monitoring of credit risk.
- Ensure adherence to the guidelines/policies related to credit, credit risk and NPA management as issued by the Reserve Bank of India (RBI) from time to time.

#### (b) Operational Risk Management

**Risk:** Operational Risk has been defined by the RBI as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes Legal Risk but excludes Strategic and Reputational Risk.

**Mitigation:** Your Bank has in place a board approved Operational Risk Management Policy which includes a comprehensive Operational Risk Management Framework for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all business verticals.

Bank has set up the Board delegated Operational Risk Management Committee (“ORMC”) to oversee implementation of the operational risk management framework across the Bank and advise on implementation of measures for risk mitigation. The bank follows an integrated risk approach for assessing & managing the operational risk.

Your bank carries out RCSA exercise every year & has created Risk Registers for branches & HO depts.

Your Bank also has a board approved Fraud Risk Management Policy. Fraud cases observed in the Bank are apprised to the Audit Committee of the Board and fraud cases in excess of 1 crore are specifically reported and reviewed by the Special Committee of Board for Monitoring and follow up of cases of Fraud (SCBMF). The Bank is continuously strengthening its systems, operational practices and processes, procedures, controls, and review mechanisms so that fraud-prone areas are sanitised against internal and external breaches and by continuously monitoring that these control measures are operating effectively.

With the launch of Digital Banking, the Bank has seen significant milestones in both at customer facing technologies and internal digitisation. To ensure safe and secure transactions and improve customer experience at the digital fronts, the Bank monitors the transactions on an ongoing basis.

Your Bank has put in place a comprehensive Business Continuity Management (BCM) policy, plan and procedures to ensure continuity of critical operations of the Bank in the event of any disaster/ incident affecting business continuity. The Bank’s business continuity plan is developed considering the criticality of the functions performed and the systems have been designed to minimise the operational, financial, legal, and other material consequences arising from such a disaster and focus is on ensuring fast recovery and minimising impact on the Bank.

#### (c) Market Risk, Liquidity and Asset Liability Management

**Risk:** Market Risk for the Bank originates from investment and trading in securities, which are undertaken on a proprietary basis. Liquidity risk refers to the Bank’s inability to fund an increase in assets or withdrawal of liabilities and meet both expected and unexpected cash & collateral obligations at reasonable cost without adversely impacting its financial condition.

**Mitigation:** Market risk management in your Bank is guided by board approved policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Bank. The market risk management framework of the Bank has set a benchmark for market risk exposures, the performance of portfolios visa-vis the market risk limits.

The Asset Liability Management (ALM) Policy of the Bank stipulates the framework for liquidity risk management

to ensure that the Bank is able to meet its liquidity obligations as well as to withstand a period of liquidity stress from Bank-level factors, market-wide factors, or a combination of both. The bank has successfully implemented ALM software for automated calculation of liquidity reports. The Board approved policy captures the risk appetite around the liquidity and market risk of the Bank and helps to put in place defined governance structure in consonance with the Bank’s Risk Appetite.

The Asset Liability Management Committee (ALCO) of the Bank oversees the framework for identification, measurement and management of market risk, interest rate risk and liquidity risk in the Bank and ensures compliance with established internal and regulatory prudential limits and operate within the board approved risk appetite.

#### (d) IT Risk Management

**Risk:** Your Bank is growing with digitisation and the aim is to leverage digital technology to provide a best-in-class experience for its customers while simultaneously enhancing productivity. Risk of cyber-attacks on your Bank’s systems arises among others from computer viruses, malicious or destructive code, phishing attacks, denial of service or information, application vulnerability and other security breaches resulting in disruption of its services or theft or leak of sensitive internal data or customer information.

**Mitigation:** Your Bank has established a robust information and cyber security framework for securing its IT infrastructure and systems. The IT Steering Committee and Information Security Risk Management committee report to Board level IT Strategy & Information Systems Security Committee. This committee reviews and monitors IT security infrastructure and vigilance over IT related vulnerabilities against emerging cyber security risks. The Chief Information Security Officer (“CISO”) is responsible for monitoring the information security risks covering all aspects of data security for the Bank who reports to Chief Risk Officer (CRO). The Cyber Security Operation Centre (CSOC) with qualified professionals is reporting to CISO for monitoring real-time cyber security events / incidents. Your Bank has also deployed advanced controls at various layers to ensure that cyber security risk is minimised.

Further, your Bank has a cyber security management framework, a combination of technologies, processes and practices designed to protect networks, computers, programs and data from cyber-attacks, damage, or unauthorised access.



(e) Reputation Risk Management

**Risk:** Reputation risk can negatively impact the Bank’s ability to attract or retain customers, investors, employees and expose it to litigation and regulatory action.

**Mitigation:** Your Bank communicates with its stakeholders regularly through appropriate engagement mechanisms to address stakeholder expectations and assuage their concerns, if any. There is Zero tolerance for knowingly engaging in any activities that are not consistent with values, Code of Conduct, or policies of the Bank.

(f) Compliance Risk Management

**Risk:** The adoption of effective KYC/AML standards is an essential part of Banks’ Risk Management practices. Banks with inadequate Compliance (AML/KYC) risk management programs may be subject to significant risks, especially legal and reputational risk. Sound

Compliance (AML/KYC) policies and procedures not only contribute to a Bank’s overall safety and soundness and also protect the integrity of the banking system by reducing the likelihood of Banks becoming vehicles for money laundering, terrorist financing and other unlawful activities. Recent initiatives to reinforce actions against terrorism in particular have underlined the importance of Banks’ ability to monitor their customers wherever they conduct business.

**Mitigation:** Your Bank has a dedicated Compliance Department that continuously monitors new/ revised regulations and related developments. The Compliance Department updates the Bank’s Board and senior management about the implications of new / modified regulations and ensures that the management of the bank implements the changes required to comply with the new / revised regulations within the stipulated timeframe. The Bank has a strong compliance culture and has well- articulated policies with regard to the Code of Conduct, Vigil Mechanism, and AML & KYC. Compliance department updates the status of compliance & controls to Audit Committee of the Board (ACB) on regular basis to review and advise on implementation of measures for AML /KYC risk mitigation along with effective Transaction monitoring.

(g) Business Correspondent / Partner Risk

Your Bank has put in place a comprehensive board approved Outsourcing Policy in line with RBI guidelines on outsourcing. The outsourcing policy of the Bank lays down the framework adopted by the Bank for reviewing

and approving outsourcing of services that include plans and procedures to evaluate, assess, approve, review, control and monitor the risks and materiality of all its vendors/business partners/outsourcing activities. The Policy ensures that the Bank adopts sound and responsive risk management practices for effective oversight, due diligence and management of risks arising from outsourcing activities.

Risk management Department also conducts risk reviews of significant outsourcing partners, particularly in the areas of credit, operational, legal, reputational, audit and compliance risks. Such risk review notes, and portfolio performance of the partners are put up to the Risk Management Committee & Risk Management Committee of the Board at regular intervals.

28. Corporate Social Responsibility (CSR) and details of policy developed and implemented by the Bank on its Corporate Social Responsibility initiatives.

Keeping in view the limits set out in Section 135 of the Companies Act, 2013 related to the Corporate Social Responsibility initiatives, the said provisions are not applicable to your Bank during the financial year under review.

29. Board of Directors/ Key Managerial Personnel (KMP):

The composition of the Board is regulated by a combination of the provisions of the Act, the Banking Regulation Act, 1949 (“BR Act”), and other applicable laws, and the Articles of Association of the Bank.

As of 31st March 2025, the Board consisted of 9 Directors, including 7 Independent Directors, 1 Non-executive Director and 1 Executive Director.

Further, following the conclusion of the financial year 2024-25, Mr. Gaurav Seth (DIN: 06724718), Chief Financial Officer (CFO) has been appointed as an Additional Director with the designation of Whole-Time Director (WTD) of the Bank. His appointment is effective from 1st April 2025, for a term of three years.

Pursuant to the provisions of Section 149, 152, schedule IV and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the RBI approval and recommendation of the Nomination and Remuneration Committee (NRC), the Board has appointed/ re-appointed the following Directors and the details of cessation of directorship during the financial year under review, are outlined below.

a) Appointments

- i. Mr. Dinesh Singhal (DIN: 00178786) was appointed as an additional Director (Non-Executive Independent) of the Bank to hold office for a period of 3 years with effect from 6th June 2024 up to 5th June 2027 considering her vast experience, specialised knowledge and skill set. Further, shareholders vide special resolution passed in the Annual General Meeting (AGM) on 20th July 2024 approved his appointment as an Independent Director (Non-Executive) with effect from 6th June 2024.
- ii. Following the conclusion of the financial year 2024-25, Mr. Gaurav Seth (DIN: 06724718), Chief Financial Officer (CFO) has been appointed as an Additional Director with the designation of the Whole-Time Director (WTD) of the Bank. His appointment is effective from 1st April 2025, for a term of three years.

The terms and conditions for appointment of Independent Directors are as per Schedule IV of the Companies Act, 2013 and the same is disclosed on the website of the Bank at <https://shivalikbank.com/regulatory-section/policies>.

b) Director retiring by rotation

In accordance with the provisions of Section 152 of the Act, Mr. Dinesh Kumar Mittal (DIN: 00040000),

Non-executive Director, retired by rotation at the annual general meeting (AGM) and being eligible for reappointment, offers himself for reappointment.

c) Re-appointment

Shareholders in an Annual General Meeting (AGM) held on 20th July 2024, approved the re-appointment of Ms. Veena Hingarh (DIN: 00885567), Dr. Shalini Lal (DIN: 08128182), and Ms. Arundhati Mech (DIN: 09177619) as an Independent Director (Non-Executive) of the Bank for a further period of 5 years commencing from 4th September 2024 up to 3rd September 2029.

d) Completion of Tenure

Mr. K Narasimha Murthy (DIN: 00023046) ceased to be an Independent Director, and Mr. Sudhakar Agarwal (DIN: 00418663) ceased to be a Non- Executive Director of the Bank, effective from the close of business hours on 2nd April 2024, upon completion of their respective tenures.

The Board extends its sincere appreciation to Mr. K Narasimha Murthy and Mr. Sudhakar Agarwal for their outstanding leadership and valuable insights during their tenure with the Bank. It also expresses gratitude for their guidance and wisdom and wishes them continued success in all their future endeavors.

COMPOSITION OF DIRECTORS & KMP

The following is the composition of the Board of Directors & KMP of the Bank as at the end of the financial year 2024-25:

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
00040000	DINESH KUMAR MITTAL	Director	6 <sup>th</sup> August 2022
00885567	VEENA HINGARH	Director	4 <sup>th</sup> September 2021
02116442	SHANKAR AGGARWAL	Director	3 <sup>rd</sup> April 2021
02272425	MALAY MUKHERJEE	Director	31 <sup>st</sup> May 2022
06526171	OM PRAKASH SINGH	Director	4 <sup>th</sup> March 2023
08128182	SHALINI LAL	Director	4 <sup>th</sup> September 2021
09177619	ARUNDHATI MECH	Director	4 <sup>th</sup> September 2021
00178786	DINESH SINGHAL	Director	6 <sup>th</sup> June 2024
09446950	ANSHUL SWAMI	Managing Director and Chief Executive Officer (KMP)	26 <sup>th</sup> April 2022
06724718	GAURAV SETH	Chief Financial Officer and Whole time Director (KMP)	Appointed as: a. CFO effective 14 <sup>th</sup> February 2022 b. WTD effective 1 <sup>st</sup> April 2025
BIFPP7290F	SHRUTI PANDEY	Company Secretary (KMP)	26 <sup>th</sup> April 2021

Following the conclusion of the financial year 2024-25, Mr. Gaurav Seth (DIN: 06724718) has been appointed as an additional Director with the designation of Whole-Time Director (WTD) of the Bank. His appointment is effective from 1st April 2025, for a term of three years.



### DISQUALIFICATION OF DIRECTORS

None of the Directors have incurred any disqualification on account of non-compliance with any of the provisions of the Act.

### 30. Share Capital

#### A) Authorised Capital:

During the financial year under review, the Authorised Share Capital of the Company has been increased from ₹ 1,60,00,00,000/- divided into 14,00,00,000 (Fourteen Crore) equity Shares of ₹ 10/- (Indian Rupees Ten Only) each amounting to ₹ 1,40,00,00,000 and 2,00,00,000 (Two Crore) preference shares of ₹ 10/- (Indian Rupees Ten Only) each amounting to ₹ 2,00,00,00,000 divided into 18,00,00,000 (Eighteen Crore) equity Shares of ₹ 10/- each amounting to ₹ 1,80,00,00,000 and 2,00,00,000 (Two Crore) preference shares of ₹ 10/- (Indian Rupees Ten only) each amounting to ₹ 20,00,00,000 (Indian Rupees Twenty Crore only).

#### B) Issued, Subscribed & Paid – up Capital:

During the financial year under review, your Bank has issued and allotted 2,73,00,798 of Face Value ₹ 10 each pursuant to fresh allotment of Equity shares on a private placement basis and Conversion of Compulsory Convertible Preference Share (CCPS) into Equity.

Consequently, the total issued, subscribed and paid-up equity share capital of the Bank increased by ₹ 27,30,07,980. As on 31st March 2025, total issued, subscribed and paid-up equity share capital of the Bank comprises 14,87,16,797 equity shares of ₹ 10 each.

Break-up details of 2,73,00,798 shares allotted during the year are hereunder:

S. No.	Nature of securities	No. of securities offered	No. of securities subscribed	No. of securities allotted	Date of Allotment
1.	Equity Shares (Private Placement)	1,73,00,798	1,73,00,798	1,73,00,798	29 <sup>th</sup> May 2024
2.	Equity Shares (CCPS into Equity Conversion)	1,00,00,000	1,00,00,000	1,00,00,000	31 <sup>st</sup> March 2025
Total		2,73,00,798	2,73,00,798	2,73,00,798	

#### C) Non-Convertible Debentures (NCDs):

S. No.	Nature of securities	Number of Units offered	Number of Units subscribed	Number of Units allotted	Date of Allotment
1.	Tier II Debt Series VI (Non-Convertible Debenture)	136	136	136	28 <sup>th</sup> March 2025

### 31. Annual Return

In accordance with the provisions of Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return for the financial year ended on 31st March 2024 in the prescribed form MGT-7 is disclosed on the website of the Bank at <https://www.shivalikbank.com>.

### 32. Requirement for maintenance of Cost records

The cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013, are not required to be maintained by the Bank.

### 33. Vigil Mechanism/ Whistle Blower Policy

The Bank has adopted a Whistle Blower Policy and Vigil Mechanism in compliance with the relevant provisions of Companies Act, 2013. This Policy provides an opportunity to address the concerns of employees & Directors relating to fraud, malpractice or any other activity or event which is against the interest of the Bank or society as a whole.

The functioning of the Mechanism is reviewed by the Audit Committee from time to time. No employee of the Bank has been denied access to the Audit Committee for raising a whistle blower complaint. During the financial year under review, the Bank/ Chief Vigilance Officer received two cases under the whistle blower and the same is closed as at the end of financial year.

The Policy is available on the Bank's website <https://shivalikbank.com/regulatory-section/policies>.

### 34. Ratings of Debt Instruments

Instrument	Nature	Rating	Rating Agency	Amount (in crore)
Long Term Borrowing	Positive outlook	IVR A (with positive outlook)	Infomerics Valuation and Rating Pvt. Ltd.	INR 50 Crores

On 4th February 2025, Infomerics Valuation and Rating Pvt. Ltd. reaffirmed the rating with outlook revised from stable to positive.

### 35. Deposits

Being a Banking Bank, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Companies Act, 2013 (the Act), and Companies (Acceptance of Deposits) Rules, 2014 are not applicable. The details of the deposits received and accepted by the Bank as a Banking Bank have been disclosed in the financial statements for the financial year ended 31st March 2025.

### 36. Capital Adequacy

The Capital Adequacy Ratio (CAR) is crucial for ensuring the stability and soundness of banks. It is a regulatory measure that requires banks to maintain sufficient capital to absorb potential losses and fulfil their obligations to depositors and creditors. By keeping an adequate capital buffer, banks can reduce the risk of insolvency and enhance the overall resilience of the financial system.

The bank has ensured it maintains sufficient buffer capital to handle potential stress and support its growth trajectory. As of 31st March 2025, the bank's Capital Adequacy Ratio stood at 20.8%, well above the RBI's minimum requirement of 15%. This strong capital position reflects the bank's commitment to prudent capital management, providing a solid foundation for operations, supporting growth aspirations, and instilling confidence in stakeholders. The bank will continue to prioritize capital adequacy to navigate future challenges and seize emerging opportunities in the dynamic banking landscape.

The Net Worth of the Bank as on the said date was ₹ 351.3 crores.

### 37. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has in place, a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee has been set up for redressal of complaints.

During FY 2024-25, the status of complaint received is mentioned below. Management has taken cognizance of the report submitted by the Internal Complaint Committee and has initiated action as appropriate.

S. No.	Particulars	Details
1	Number of complaints of sexual harassment received during the relevant financial year.	4
2	Number of complaints disposed off during the relevant financial year.	4

### 38. Significant Material Order Passed by Regulators or Courts or Tribunals Impacting the Going Concern Status and Operations of the Bank

During the period under review, no significant and / or material order was passed by any Regulator, Court, or Tribunal against the Bank, which could impact its going concern status or future operations.

### 39. Compliance with Secretarial Standards

The Bank has complied with the provisions of all the applicable Secretarial Standards issued by the Institute of Bank Secretaries of India (ICSI) as notified by the Ministry of Corporate Affairs u/s 118(10) of the Companies Act, 2013 from time to time.

### 40. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms that:

- in the preparation of Annual Accounts for the year ended 31st March 2024, the applicable accounting standards have been followed along with proper explanation relating to the material departures, if any.
- Appropriate accounting policies have been selected and applied consistently and that the judgment and estimates are reasonable and prudent to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit and loss of the Bank for the year under review.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- The accounts for the year ended 31st March 2024 have been prepared on a going concern basis.



- e) internal financial controls to be followed by the Bank were laid down and that the same were adequate and were operating effectively, and.
- f) Proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws, and these systems are operating effectively.

41. Acknowledgement

The Board places on record its appreciation and gratitude to the, RBI, MCA, other Statutory and Regulatory Authorities, Registrar and Share Transfer Agent, Depositories and Correspondent Banks for their continued support, guidance and faith reposed in the Bank.

The Board also places on record its appreciation to its valued customers for their continued patronage and to the members of the Bank for their continued support and look forward for their continued support.

The Board also expresses its deep appreciation for the dedication and commitment of the employees at all levels for their strong work ethics, professionalism, reinforcing customer centricity, and commendable progress made in challenging environment during the year and helping in laying a strong foundation by keeping eyes on horizon and ears to ground.

For and on behalf of the Board of Directors

Shivalik Small Finance Bank Limited

(Shankar Aggarwal)

Part-Time Chairman

DIN: 02116442

(Gaurav Seth)

& Director

DIN: 06724718

(Anshul Swami)

Whole-time Director MD & CEO

DIN: 09446950

Date:

Place: Noida

# CORPORATE GOVERNANCE REPORT

Corporate Governance comprises a set of systems and practices that ensure the Bank’s operations are conducted with integrity, accountability, independence, transparency, and fairness in all transactions. Broadly, Governance’ refers to the adoption of best management practices, compliance with laws in both letter and spirit, adherence to ethical standards, equitable distribution of wealth, and the fulfillment of social responsibilities aimed at the sustainable development of all stakeholders.

Banking and financial institutions serve as the backbone of any economy. Their operations differ significantly from those of other corporate entities, making robust Corporate Governance both critical and imperative. With the increasing trust of the public in the banking system, banks are entrusted with an increased responsibility to conduct their operations in a manner that enhances long-term value for stakeholders, safeguards the interests of depositors, and reinforces accountability, credibility, trust, transparency, and integrity across all facets of the Bank’s functioning.

Bank’s Philosophy on Corporate Governance

Shivalik Small Finance Bank Limited (“the Bank”) is committed to upholding the highest standards of Corporate Governance by maintaining an appropriate balance among principles of timely and fair disclosures, ethical conduct of business, credibility, accountability, independence, sustainability, and transparency. The Bank’s governance practices are focused on maximising value for all stakeholders while ensuring that its operations are conducted in a responsible and well-governed manner.

The Bank’s philosophy on Corporate Governance emphasizes unwavering adherence to the highest standards of transparency, accountability and fairness, in all areas of its operations and stakeholder interactions. The Bank primarily serves borrowers, mostly from the economically weaker sections of society, who have limited access to mainstream financial services. Since inception, the Bank has consistently aligned its policies and processes to ensure maximum clarity, fairness, and inclusivity in its dealings with such clients.

"The Bank conducts its activities in accordance with sound corporate governance practices and is committed to continuously improving and adopting best practices. The Bank firmly believes that timely reporting, transparent accounting policies, and a strong, independent Board are vital for preserving shareholder trust and maximising long-term corporate value. In alignment with this philosophy, the Bank has adopted a comprehensive Code of Conduct applicable to its Directors, Senior Management, employees, and other stakeholders.

Shivalik Bank considers corporate governance to be a cornerstone of conducting business in an ethical and responsible manner, which is fair to all the stakeholder groups.

The following principles are embedded in the Bank’s governance framework:

- Strategic and critical review of the past, current and future performance of Shivalik Bank by the Board of Directors and its sub-committees.
- A transparent approach to decision making by Executive Management and Board.
- A sound system of internal controls to mitigate and monitor internal and external risks.
- Accuracy and transparency in disclosures to all stakeholders for all material information.
- Focus on upgrading governance practices and compliance measures to effectively address the challenges faced by the Bank in an ever-evolving regulatory and business environment.
- Compliance with laws, rules, and regulations in true letter and spirit.
- To enhance the long-term interest of its shareholders, provide good management, adopt prudent risk management techniques, and comply with the required standards of capital adequacy, thereby safeguarding the interest of its stakeholders including shareholders, depositors, creditors, customers, suppliers and employees.

Shivalik Bank’s Governance Structure

The Bank believes that good Corporate Governance is an essential foundation for strong performance. Its Board, Executive Management, and employees being the flagbearers of its vision and mission, collectively work to maintain the highest level of Corporate Governance with accountability, strengthening its engagement with key stakeholders.

The Bank has established a three-layered defense framework to ensure robust internal controls. The first layer consists of Control Groups and Business Units, followed by the Risk and Compliance functions as the second line of defense. The third line of defense is provided by the Internal Audit and Vigilance functions. The Internal Audit function operates independently from the first and second lines, offering an objective and independent review to assure the



quality and effectiveness of the Bank's internal control systems."The Board has constituted several Board Committees to facilitate the discharge of its responsibilities in monitoring key strategic and operational activities. The Board delegated committees are administered by the MD & CEO and/or Senior Management personnel of the Bank. These committees are involved in monitoring the operationalisation of the Bank's policies, processes, systems, controls, risk mitigation measures and provide guidance to the Executive Management w.r.t. business operations and other key matters.

### BOARD OF DIRECTORS ("The Board")

The Board is the focal point and custodian of Corporate Governance for the Bank. The Bank recognizes and values the benefits of having a diverse Board considering diversity an essential factor in maintaining a competitive advantage. A truly diverse Board encompasses, and effectively leverages differences in skills, industry experience, backgrounds, and other distinguishing characteristics

among Directors. These differences are carefully considered when determining the optimal Board composition and are balanced appropriately wherever possible.

The Board of the Bank is diversified in terms of qualifications, professional backgrounds, knowledge, skills, and experience, thereby enabling long-term, sustainable value creation for all stakeholders. It comprises qualified members who possess the necessary skills, expertise and competencies for effective participation in the functioning of the Board and its committees.

### Composition of Board

The Board of Directors ("Board") is duly constituted with an optimal mix of Independent, Non-Executive and Executive Directors, with a majority of the Board members comprising Independent Directors ("IDs"). The Board consists of professionals having diverse knowledge, varied backgrounds, and extensive experience, which enables it to delegate responsibilities effectively.

Category of Directors	Name	DIN	Promoter/ Promoter Group	Inter-se relationship between directors	No. of Shares held on 31 <sup>st</sup> March 2025
Part-Time Chairperson and Independent Director	Mr. Shankar Aggarwal	02116442	No	None	NIL
Non-Executive and Independent Director	Ms. Veena Hingarh	00885567	No		NIL
	Dr. Shalini Lal	08128182	No		NIL
	Ms. Arundhati Mech	09177619	No		NIL
	Mr. Malay Mukherjee	02272425	No		NIL
	Mr. Om Prakash Singh	06526171	No		NIL
	Mr. Dinesh Singhal	00178786	No		NIL
Non-Executive and Non-Independent Director	Mr. Dinesh Kumar Mittal	00040000	yes		3,67,61,779
Managing Director & Chief Executive Officer	Mr. Anshul Swami	09446950	No		NIL
*Whole Time Director	Mr. Gaurav Seth	06724718	No		NIL

The composition of the Board confirms the requirement of the Companies Act 2013, and the relevant rules made thereunder, the Banking Regulation Act, 1949, and various guidelines issued by the Reserve Bank of India from time to time. The Bank's diversified and well-balanced Board, consisting of Ten (10) Directors, including seven (7) Independent Directors (Three of whom are women directors), one (1) Non-Executive Director and two (2) Executive Director. The composition enhances the quality of discussions and enables effective decision-making. The majority of the Board members are Independent Directors, which helps in maintaining its independence.

\*Mr. Gaurav Seth (DIN: 06724718), Chief Financial Officer (CFO), has been appointed as Whole-Time Director (WTD) of the Bank. His appointment is effective from 1st April 2025, for a term of three years.

### Chairman (Part Time Chairman):

The Bank has established separate positions for Chairman (Part Time Chairman) and Managing Director to enhance its governance structure. The Chairman leads the Board, ensuring it operates with integrity and fosters a cooperative culture. This helps the Board work effectively for the long-term success of the company and its stakeholders.

Mr. Shankar Aggarwal acted as Non-Executive Part – Time Chairman of the Board. The Part - Time Chairman presides over the meetings of the Board of the Company.

### Statement of Declaration from Independent Directors

A declaration under section 149(6) & (7) of the Companies Act, 2013 has been obtained from each of the Independent Directors. All Independent Directors on the Board of the Bank are non-

executive directors in terms of Section 149(6) of the Companies Act, 2013, read with rules framed thereunder.

Independent Directors of the Bank have submitted their annual disclosures/declarations with respect to the criteria of independence, as stipulated under the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949, and the guidelines issued by the RBI from time to time. In the opinion of the Board, the Independent Directors meet the criteria of independence laid down thereunder and are independent of the Management.

The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013, RBI guidelines, and the details of appointment/ re-appointment during the year under review are covered in the Board's Report.

Area Of Expertise	Mr. Shankar Aggarwal	Ms. Veena Hingarh	Dr. Shalini Lal	Ms. Arundhati Mech	Mr. Malay Mukherjee	Mr. D K Mittal	Mr. O P Singh	Mr. Dinesh Singhal	Mr. Anshul Swami	Mr. Gaurav Seth
Accountancy	X	√	X	√	√	√	√	X	√	√
Agriculture And Rural Economy	X	X	X	√	X	√	X	X	√	X
Banking	√	√	√	√	√	√	X	X	√	√
Co-Operation	X	√	X	√	X	√	X	X	X	X
Economics	√	X	X	√	X	√	X	X	X	X
Finance	√	√	X	√	√	√	X	X	√	√
Law	X	X	X	X	X	X	√	X	X	X
Small-Scale Industry	√	X	X	X	√	X	X	√	√	√
Information Technology	√	√	X	√	√	X	X	X	√	X
Payment And Settlement Systems	X	X	X	√	√	X	X	X	X	√
Human Resources	X	X	√	√	√	X	√	X	√	X
Risk Management	X	√	X	X	√	√	X	X	√	X
Business Management	X	√	X	X	√	√	X	√	√	X
Other Expertise	X	Information System Audit	X	Customer Service	Management, Business Strategy And Corporate Governance	X	X	X	Financial Inclusion And Rural Banking	Financial Inclusion

### Roles & Responsibilities of the Board of Directors

The primary responsibility for good corporate governance of the Bank rests with its Board of Directors. The role of the Board is to provide effective guidance, build trust with all stakeholders, and exercise oversight over the Executive Management of the Bank, ensuring it delivers enduring, sustainable value. The Board is fully compliant with extant laws and functions in an ethical and efficient manner.

The responsibilities of the Board include, inter alia overseeing the functioning of the Bank, efficacy of internal control systems and processes, and framing, implementing and monitoring the Bank's risk management plan.

### Women Independent Director

Pursuant of section 149(1) of Companies Act 2013, and Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Veena Hingarh, Dr. Shalini Lal, and Ms. Arundhati Mech are Non-Executive Woman Independent Directors on the Board of the Company.

### Key Skills/ Expertise/ Competence of Board

The Bank, in compliance with Section 10A(2) of the Banking Regulation Act, 1949, read with the RBI Notification dated 24th November 2016, has identified the following skills, expertise and competencies required for the effective functioning of the Company, all of which are available with the Board. The expertise of Board members are given below:

The Board is also responsible for setting the strategic direction, establishing plans and priorities, monitoring corporate performance against the strategic business plan, reviewing and approving the Bank's financial and operating results on a periodic basis, overseeing major capital expenditures, ensuring the effectiveness of the Bank's Corporate Governance framework (including the functioning of the Board committees), and supervising the succession planning process for Directors and Senior Management.

The Board oversees the actions and results of the Management to ensure that the long-term objectives of enhancing shareholders' value is met.



### Role of Independent Director(s)

During the year under review, the bank had Seven (7) Independent Directors. The role of an Independent Director is to help in bringing an independent judgment on the Board's deliberations, especially on the issues pertaining to strategy, performance, risk management, human resources, governance, key appointments, and standards of conduct. Independent Directors offers an unbiased perspective when evaluating the performance of the Board and Management, and they review Management's performance in meeting their goals and objectives.

Following the conclusion of FY 2023-24, Mr. K Narasimha Murthy, Non-executive Independent Director, and Mr. Sudhakar Agarwal, Non-executive Director, ceased to be Directors on the Board of the Bank after successful completion of their first tenure on 2nd April 2024.

### Managing Director & Chief Executive Officer (MD & CEO):

The Managing Director & Chief Executive Officer (MD & CEO) of the Bank plays a pivotal role in driving the company's growth by executing business strategies that align with the Bank's vision and mission. Under the guidance and oversight of the Board of Directors, the MD & CEO oversees the majority of the Bank's operations. This role involves implementing strategic plans and policies, serving as a bridge between the Board and employees, and connecting the organisation with the community. Key responsibilities include defining and promoting the Bank's vision and mission, exploring new avenues for innovation and development, ensuring sustainable growth through strong customer relationships, offering unique banking services, building a robust leadership team, and facilitating effective and timely communication with key stakeholders.

### Scheduling of Meetings

The dates of Quarterly meetings of the Board and the Committees are decided in well in advance to ensure Board members availability and effective participation in the Board and Committee meetings. However, in case of a special and urgent business need, the Bank convene meetings physically or through electronic means on shorter notice or place the matter for consideration/approval through circular resolution.

### Agenda of the meetings

The agendas of the Board meetings include matters prescribed by the RBI vide Calendar of Reviews dated 14th May 2015, and other matters required under the provisions of applicable laws. The agendas of Committee meetings are prepared on the basis of the calendar of reviews of respective committees which includes matters prescribed under applicable laws and as per business requirements.

The agenda notes are prepared by concerned officials of the respective department and reviewed by the Board delegated management Committees of the Bank.

In order to facilitate effective discussions at the meetings, the agendas are bifurcated into items requiring approval and noting/ review to facilitate efficient time management, informed decision-making and active participation at meetings, leading to higher Board effectiveness.

### Procedure

The agendas for the Board and Committee meetings along with the presentations are circulated to the Board/ Committee members in advance for well-informed decision-making. The Board members have unrestricted access to all the relevant and required information. The agenda notes and presentations are also shared through secured web-based portal for easy access of Board members.

Concerned, officials are invited to Board and Committee meetings to provide insights related to the items being presented before the Board/Committee to enhance the depth of discussions and well-informed decision making.

### Post-meeting Action Tracker

Directions given by the Board/Committee are communicated to the relevant official/department for taking necessary action at their end. The important decisions taken at the Board and Committee meetings are tracked till their closure and an 'Action Taken Report' is placed before the Board and Committee at their meeting.

### Minutes of the Meeting

Pursuant to the requirements of the Secretarial Standard on Meetings of the Board of Directors ("SS - I") issued by the Institute of Company Secretaries of India, the Bank sends draft minutes to the members of the Board/Committee within 15 days from the date of the conclusion of the meetings, for their comments. The minutes are placed at the next meeting of the Board/Committee after incorporating the comments, if any, received from the Board/ Committee members for noting.

The resolution, if any, passed by circulation is placed at the next meeting of the Board/ Committee.

### Conduct of Board Meetings

The day-to-day matters concerning the business are conducted by the executives of the Company under the direction of Managing Directors and Executive Directors with ultimate supervision by the Board. The company hold board meetings at regular intervals. The directors are informed about the venue, date, and time of the meeting in advance in writing at their registered e-mail IDs.

During the period under review i.e. FY 2024-25, Five (5) Board meetings were convened and duly held on the following dates:

- 29th April 2024
- 6th June 2024 (Adjourned to 13th July 2024)

- 7th September 2024
- 26th November 2024
- 22nd March 2025

The intervening gap between the said meetings were in accordance with the provisions of Companies Act, 2013, relevant Rules made thereunder, Secretarial Standard-I Issued by the Institute of Company Secretaries of India and the Charter of the Company i.e., Article of Association. The requisite quorum was present throughout the meetings of the Board held during FY 2024-2025.

The Board has accepted and implemented all the recommendations, including mandatory recommendations, made by the Committees of the Bank during the financial year 2024-25.

Name of Director	No. of Meetings	
	Eligible to attend	Attended
Mr. Shankar Aggarwal	5	5
Ms. Veena Hingarh	5	5
Dr. Shalini Lal	5	5
Ms. Arundhati Mech	5	5
Mr. Dinesh Kumar Mittal	5	5
Mr. Malay Mukherjee	5	5
Mr. Om Prakash Singh	5	5
Mr. Dinesh Singhal	3	1
Mr. Anshul Swami	5	5

### COMMITTEES OF THE BOARD

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designated by the Board. They also make specific recommendations to the Board on matters within their areas of purview. The charter of the Board Committees is subject to an annual review by the Board, pursuant to changes in the extant laws or to meet the business requirements of the Bank. The Board has constituted nine (9) Committees, details of which are as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Customer Service Committee
- Wilful Defaulter Review Committee
- Risk Management Committee
- Special Committee of the Board for Monitoring and follow-up of cases of Frauds (Previously known as 'Special Committee for monitoring of Large Value frauds')
- IT Strategy and Information Systems Security Committee
- Credit and Investment Committee
- Capital Management Committee

Brief description of the terms of the Board Committees, their composition and attendance of members at the meetings held during FY 2024- 2025, are detailed as under:

i. **Audit Committee**

Brief Terms of Reference/ Roles and Responsibilities	1.	To provide direction and to oversee the operation of the audit function.
		To review the internal audit system with special emphasis on its quality and effectiveness.
		To review all matters as specified by RBI in the circular on Calendar of Reviews as per RBI Circular dated 10 <sup>th</sup> November 2010 and notifications, if any, issued from time to time in this regard.
		To review findings of internal and concurrent audit reports.
		To discuss matters related to frauds.
		To discuss and follow up for the audit observations relating to Long Form Audit Report.
		To review the status of compliance with respect to Risk Assessment Report, Risk Mitigation Plan, Scrutiny Reports issued by RBI and any other domestic/overseas regulators and forensic audit reports by external agencies, if any.
		To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
		To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Bank.
		To approve payments to statutory auditors for any other services rendered by them.\
		Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with reference to:
		- matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 (3)(c) of the Companies Act, 2013
		- changes, if any, in accounting policies and practices and reasons for the same
		- major accounting entries involving estimates based on the exercise of judgment by management
		- significant adjustments made in the financial statements arising out of audit findings
		- compliance with listing and other legal requirements relating to financial statements
		- disclosure of any related party transactions
		- modified opinion(s) in the draft audit report
		- oversight of the financial reporting process and the disclosure of its financial information
		To oversee the progress of the Ind AS implementation process and report to the Board at Half yearly intervals.
		To review with the management, performance and independence of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process.
		To obtain and review reports of the Compliance Officer appointed in the Bank, at stipulated periodicity, in terms of RBI instructions and circulated to all the functional heads.
		To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
		To discuss with HIA/internal auditors any significant audit findings and follow up thereon.

17.	To review the findings of any internal investigations by the internal / statutory auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
18.	To discuss with Statutory Auditors, before the commencement of audit, the nature and scope of audit as also conduct post-audit discussion to ascertain any area of concern.19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
20.	To review the functioning of the Whistle Blower- and Vigilance mechanism.
21.	To approve the appointment of the CFO. The Audit Committee, while approving the said appointment, shall assess the qualifications, experience & background, etc. of the candidate.
22.	To review and approve the appointment, removal and terms of remuneration of the HIA and / or any change in the incumbency of the HIA of the Bank, along with the reasons for such change.
23.	To approve any subsequent modification of transactions of the Bank that shall involve related parties.
24.	Evaluation of internal financial controls and risk management system.
25.	Review and approve the change in the incumbency of the Chief Compliance Officer of the Bank
26.	Review Segmental Reporting.
27.	Review of cases of wilful defaults and aspects of diversion of funds by the Borrower.
28.	Oversee the implementation of Compliance Policy and review the compliance function on a half-yearly and annual basis ensuring that all compliance issues are resolved effectively.
29.	For each of the omnibus approval given, on a quarterly (or as per the practice followed) basis, the details of Related Party Transactions entered into by the Bank is reviewed.
30.	The Annual Compliance Certificate of the audit conducted for the active vendors is reviewed by ACB and submitted to RBI.
31.	The Committee at quarterly intervals review the information in respect of legal audits which should cover aspects, inter alia, like number of loan accounts due for legal audit for the quarter, how many accounts covered, list of deficiencies observed by the auditors, steps taken to rectify the deficiencies, number of accounts in which the rectification could not take place, course of action to safeguard the interest of bank in such cases, action taken on issues pending from earlier quarters.
32.	To review the performance of the Information Security Audit and the critical issues highlighted during the Information Security Audit and provide appropriate guidance to the Bank's Management.
33.	Appointment of IS Audit Head, if applicable who shall report to the HIA of the Bank.
34.	To specifically focus on reconciliation of various accounts with transactions undertaken within the bank as well as interbank.
35.	To conduct periodical reviews of the internal audit undertaken by it vis-à-vis the approved audit plan. The performance review shall also include an evaluation of the effectiveness of internal audit in mitigating identified risks.
36.	To ensure that internal audit reports are made available to the ACB without management filtering.
37.	To investigate any matter under its mandate as also any matter referred to it by the board.
38.	To put in place as well as implement a policy for fixing accountability for breach of internal controls, unsatisfactory compliance, delay in compliance, non-rectification of deficiencies, omissions, gross negligence on the part of even internal audit and external audit officials/firms/agencies to detect serious irregularities (which come to light later).



	<div>39. If any serious acts of omission or commission are noticed in the working of the appointed external firms, their appointments may be cancelled after giving them reasonable opportunity to be heard and the fact shall be reported to Department of Supervision, RBI as well as The Institute of Chartered Accountants of India (ICAI).</div> <div>40. To review penalties imposed / penal action taken against bank under various statutes and action taken for corrective measures.</div> <div>41. To review report on revenue leakage detected by Internal / External Auditors, status of recovery thereof - reasons for undercharges and steps taken to mitigate revenue leakage.</div> <div>42. To ensure that senior management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with policies, laws, regulations, other problems identified by auditors and other control functions.</div>
Composition	<div>Members of the Audit Committee of the Board during financial year under review are:</div> <div><div>1. Ms. Veena Hingarh, Chairperson</div><div>2. Ms. Arundhati Mech, Member</div><div>3. Mr. Malay Mukherjee, Member</div><div>4. Mr. Dinesh Kumar Mittal, Member</div><div>5. Mr. K Narasimha Murthy, Member*</div></div> <div>* Ceased to be member of the Committee w.e.f. 3<sup>rd</sup> April 2024.</div>
Meetings	Four (4) meetings of the Committee were held during the year on 6 <sup>th</sup> June 2024, 7 <sup>th</sup> September 2024, 25 <sup>th</sup> November 2024, and 22 <sup>nd</sup> March 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Ms. Veena Hingarh, Chairperson	4	4
Ms. Arundhati Mech, Member	4	4
Mr. Malay Mukherjee, Member	4	4
Mr. Dinesh Kumar Mittal, Member	4	4

ii. Nomination & Remuneration Committee

Brief Terms of Reference/ Roles and Responsibilities	<div>1. Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, senior management and other employees.</div> <div>2. Formulate criteria for evaluation of performance of individual directors including independent directors, the Board of Directors and its Committees. The criteria for evaluation of performance of directors (including independent directors) include personal attributes such as attendance at meetings, communication skills, leadership skills and adaptability and professional attributes such as understanding of the Bank's core business and strategic objectives, industry knowledge, independent judgment, adherence to the Bank's Code of Conduct, Ethics and Values, etc.</div> <div>3. Further the NRC would also determine the fixed pay, variable pay and Employee Stock Options for Whole time Directors, Key Management Personnel and other officials as described in the compensation policy of the Bank.</div> <div>4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.</div> <div>5. To decide on the extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors, to deliberate on the matters of succession planning of the executive directors, senior management.</div>
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	<div>6. To recommend to the board all remuneration, in whatever form, payable to Whole time Directors, Key Management Personnel and other officials as described in the compensation policy of the Bank.</div> <div>7. To review and discuss all documents pertaining to candidates and will conduct evaluation of candidates in accordance with a process that it sees fit and appropriate, passing on the recommendations for the nomination to the Board.</div> <div>8. Scrutinising the nominations of the directors with reference to their qualifications and experience, for identifying 'Fit and Proper' persons, assessing competency of the persons and reviewing compensation levels of the Bank's employees vis-à-vis other banks and the banking industry in general, as per the criteria laid in the Policy for Appointment of Directors.</div> <div>9. Periodically review the compensation policy of the bank from a governance and risk perspective and suggest changes if any.</div> <div>10. To administer the Bank's Equity stock options (ESOP) schemes including grant of options to eligible employees under the different ESOP plans and prescribe terms and conditions applicable to such options, subject to provisions of respective ESOP plan and regulations.</div> <div>11. To review annually, the Board's committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chairpersons.</div> <div>12. To carry out any other roles and responsibilities as is mandated by the Board from time to time and / or enforced by any statutory authority including any modification or amendment as may be applicable.</div> <div>13. The Committee to review and reassess the adequacy of the Charter annually and recommend any proposed changes to the Board for approval.</div>
Composition	<div>Members of Nomination and Remuneration Committee of the Board during financial year under review are:</div> <div><div>1. Dr. Shalini Lal, Chairperson</div><div>2. Ms. Veena Hingarh, Member</div><div>3. Mr. Dinesh Kumar Mittal, Member</div><div>4. Mr. K Narasimha Murthy, Member*</div></div> <div>* Ceased to be member of the Committee w.e.f. 3<sup>rd</sup> April 2024.</div>
Meetings	Five (5) meetings of the Committee were held during the year on 5 <sup>th</sup> June 2024 (Adjourned to 11 <sup>th</sup> July 2024), 6 <sup>th</sup> September 2024, 21 <sup>st</sup> November 2024, 22 <sup>nd</sup> January 2025, and 21 <sup>st</sup> March 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Dr. Shalini Lal, Chairperson	5	5
Ms. Veena Hingarh, Member	5	5
Mr. Dinesh Kumar Mittal, Member	5	5

iii. Customer Service Committee

Brief Terms of Reference/Roles and Responsibilities	1.	To review and monitor comprehensive deposit policy, setting out the rights of the depositors in general and small depositors in particular, and other aspects as laid down in the guidelines of RBI.
	2.	To have periodic interaction with the customer representatives invited at the Committee meeting and obtain feedback towards improvement in the quality of products and services rendered by the Bank.
	3.	To review activities of Standing Committee of Customer Service, in accordance with the guidelines laid down by RBI.
	4.	To review activities of Branch Level Customer Committee meetings, in accordance with the guidelines laid down by RBI.
	5.	To review the status of settlement of claims in regard to deceased depositors.
	6.	To monitor the quality of services rendered to the customers of the Bank.
	7.	To review & monitor the product approval processes.
	8.	To review & monitor Banking ombudsman awards passed by Banking Ombudsman relating to the Bank.
	9.	Reviewing all awards that remain unimplemented 3 months after the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action
	10.	To review & monitor the steps and remedial actions taken by the bank to reduce the customer complaints.
	11.	To review & monitor the service delivery channels.
	12.	To review & monitor the customer rights policy as mandated by Reserve Bank of India (RBI)
	13.	To formulate, review &monitor Comprehensive Policies for customer satisfaction and conduct annual survey of Customer Satisfaction.
	14.	To review the feedback obtained from the periodically Audit of Customer Services.
	15.	Evaluate the trend analysis of customer complaints by product categories/channels/BCs and monitor improvement plans
	16.	To carry out any other roles and responsibilities as is mandated by the Board from time to time and / or enforced or directed by any statutory authority including any modification, or amendment as may be applicable.
	17.	The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
	Besides, the Committee could also examine any other issues having a bearing on the quality of customer service rendered.	
Composition	Members of the Customer Service Committee of the Board during financial year under review are:	
	1.	Ms. Arundhati Mech, Chairperson
	2.	Dr. Shalini Lal, Member
	3.	Mr. Dinesh Kumar Mittal, Member
	4.	Mr. Shankar Aggarwal, Member
	5.	Mr. K Narasimha Murthy, Member*
	* Ceased to be member of the committee w.e.f. 3 <sup>rd</sup> April 2024.	
Meetings	Four (4) meetings of the committee were held during the year on 6 <sup>th</sup> June 2024, 6 <sup>th</sup> September 2024, 21 <sup>st</sup> November 2024 and 21 <sup>st</sup> March 2025.	

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Ms. Arundhati Mech, Chairperson	4	4
Dr. Shalini Lal, Member	4	4
Mr. Shankar Aggarwal, Member	4	4
Mr. Dinesh Kumar Mittal, Member	4	4

iv. Wilful Defaulter Review Committee

Brief Terms of Reference/Roles and Responsibilities	1.	To review and confirm the order of Wilful Defaulters Identification committee.
	2.	Monitor that the borrower is given necessary opportunity to put forth their cases before classifying them under wilful defaulters.
	3.	Review the wilful defaulter’s status of the Bank in a periodic manner and highlight unfavourable trends.
	4.	Monitor the progress of the agreed action plans in coordination with collection & Recovery department and suggest remedial actions for unresolved issues and unattended actions.
Composition	Members of Willful Defaulter Review Committee of the Board during the financial year under review are:	
	1.	Mr. Anshul Swami, Chairperson*
	2.	Mr. Om Prakash Singh, Member
	3.	Mr. Shankar Aggarwal, Member**
	4.	Mr. Dinesh Kumar Mittal, Member***
	* Inducted as Chairperson of the Committee w.e.f. 26 <sup>th</sup> November 2024.	
	** ceased to be the chairperson of the Committee and appointed as a member of the Committee w.e.f. 26 <sup>th</sup> November 2024.	
	*** Ceased to be member of the Committee w.e.f. 26 <sup>th</sup> November 2024.	
Meetings	Two (2) meetings of the Committee were held during the year on 6 <sup>th</sup> June 2024 and 25 <sup>th</sup> November 2024.	

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Anshul Swami, Chairperson	Nil	NA
Mr. Om Prakash Singh, Member	2	2
Mr. Shankar Aggarwal, Member	2	2
Mr. Dinesh Kumar Mittal, Member	2	2



v. Risk Management Committee

Brief Terms of Reference/Roles and Responsibilities	1.	To review the status of risk management in the Bank in pursuance of the objectives of the risk strategy of the Bank and in terms of the notifications/guidelines issued by RBI or any other regulators and as assigned by the Board, from time to time.
	2.	To oversee, and advise to the Board, on: <div> <div>i.</div> <div>defining risk appetite, tolerance thereof and review the same, as appropriate;</div> <div>ii.</div> <div>the systems of risk management framework, internal control and compliance to identify, measure, aggregate, control and report key risks;</div> <div>iii.</div> <div>the alignment of business strategy with the Board's risk appetite;</div> <div>iv.</div> <div>the maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.</div> </div>
	3.	To advise the Board on all risk matters;
	4.	To review the effectiveness of the Bank's internal control and risk management framework, in relation to its core strategic objectives, and to seek such assurance as may be appropriate;
	5.	To review the asset liability management (ALM) of the Bank on a regular basis;
	6.	To consider any major regulatory issues that may have a bearing on the risk profile and risk appetite of the Bank;
	7.	To provide to the Board such additional assurance as it may require regarding the quality of risk information submitted to it;
	8.	To approve the strategy and policies of the Bank and to ensure well integrated enterprise risk management in the Bank.
	9.	To review risk return profile of the Bank, capital adequacy based on the risk profile of the Bank's balance sheet, Basel-II implementation, assessment of Pillar II risk under Internal Capital Adequacy Assessment Process (ICAAP), business continuity plan and disaster recovery plan, key risk indicators and significant risk exposures;
	10.	To exercise oversight over the risk management function of the Bank as under. <div> <div>i.</div> <div>To review regular risk management reports from management which enable the Committee to assess the risks involved in the Bank's business and how they are controlled and monitored, and to give clear focus to current and forward-looking aspects of risk exposure;</div> <div>ii.</div> <div>To ensure that processes and infrastructure (including staffing, people, systems, operations, limits and controls) satisfy Bank's policies on risks;</div> <div>iii.</div> <div>To review and approve market risk limits, including triggers or stop-losses for traded and accrual portfolios;</div> <div>iv.</div> <div>To ensure certification of financial models – through appointment of qualified and competent staff and the effectiveness of all systems used to calculate market risk;</div> <div>v.</div> <div>To reinforce the culture and awareness of risk management throughout the organisation;</div> <div>vi.</div> <div>To provide guidance and inputs to the Board and the Management on the hiring and reporting structure of the Chief Risk Officer of the Bank;</div> </div>

	<div> <div>vii.</div> <div>To carry out any additional specific functions that may be laid down by RBI or other regulators from time to time, including oversight over funding and liquidity management;</div> <div>viii.</div> <div>Delegation of authority to the operating teams, operational risk capital methodology etc.;</div> <div>ix.</div> <div>To review of the Potential Risks to Credit Portfolio, accentuated level of credit risk and rating migration ;</div> <div>x.</div> <div>To review Stress Testing Results;</div> <div>xi.</div> <div>To review the product approval process.</div> <div>xii.</div> <div>To review the Risk Management Plan with respect to Cyber Security and monitor the implementation of the measures recommended by the IT Strategy &amp; Information System Security Committee of Directors of the Bank, to mitigate any risk arising therefrom.</div> </div> <div> <div>11.</div> <div>Framing of policies and strategies for integrated risk management, through putting in place policies and strategies involving specific risks or risk categories.</div> <div>12.</div> <div>Review and approves the Industry/Sector/Group wise exposure limits.</div> <div>13.</div> <div>To assess the internal and external risks, risks associated with systems, processes, individual platforms adopted by the Bank, from time to time.</div> <div>14.</div> <div>To review the legal risks that may arise out of operational risks.</div> <div>15.</div> <div>To review operational loss data and suggest mitigation measures.</div> <div>16.</div> <div>To review data related to digital/payments frauds.</div> </div>
Composition	Members of the Risk Management Committee of the Board during the financial year under review are: <div> <div>1.</div> <div>Mr. Malay Mukherjee, Chairperson*</div> <div>2.</div> <div>Ms. Veena Hingarh, Member</div> <div>3.</div> <div>Mr. Arundhati Mech, Member</div> <div>4.</div> <div>Mr. Dinesh Kumar Mittal, Member</div> <div>5.</div> <div>Mr. K Narasimha Murthy, Chairperson**</div> </div> <div>*Appointed as Chairperson of the committee w.e.f. 21<sup>st</sup> April 2024.</div> <div>** Ceased to be Member of the Committee w.e.f. 3<sup>rd</sup> April 2024.</div>
Meetings	Four (4) meetings of the Committee were held during the year on 5 <sup>th</sup> June 2024, 6 <sup>th</sup> September 2024, 26 <sup>th</sup> November 2024, and 21 <sup>st</sup> March 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Malay Mukherjee, Chairperson	4	4
Ms. Veena Hingarh, Member	4	3
Ms. Arundhati Mech, Member	4	4
Mr. Dinesh Kumar Mittal, Member	4	4

vi. **Special Committee of the Board for Monitoring and follow-up of cases of Frauds (previously known as Special Committee of the Board for Monitoring Large Value Frauds)**

<b>Brief Terms of Reference/Roles and Responsibilities</b>	<ol style="list-style-type: none"> <li>The Board delegated Risk Management Committee is responsible to handle frauds involving ₹ 1 crore and above.</li> <li>Identify the systemic lacunae if any that facilitated fraud.</li> <li>Oversee the effectiveness of fraud risk management through periodic review and monitor of cases of fraud).</li> <li>Identify root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.</li> <li>Identify the reasons for delay in detection/reporting to the RMC of the bank and RBI.</li> <li>Monitor progress of Police investigation and recovery position.</li> <li>Ensure that staff accountability is examined at all levels in all the cases of fraud and staff side action, if required, is completed within time.</li> <li>Review the Efficacy of the remedial action taken to prevent the re-occurrence of fraud, strengthening of Internal Controls.</li> </ol>
<b>Composition</b>	<p>Members of Special Committee of the Board for Monitoring and follow-up of cases of Frauds during financial year under review are:</p> <ol style="list-style-type: none"> <li>Mr. O P Singh, Chairperson</li> <li>Ms. Arundhati Mech, Member</li> <li>Mr. Anshul Swami, Member</li> <li>Mr. Dinesh Singhal, Member*</li> <li>Mr. Dinesh Kumar Mittal, Member**</li> <li>Mr. Sudhakar Agarwal, Member***</li> </ol> <p>* Inducted as a member of the Committee w.e.f. 25<sup>th</sup> July 2024 and ceased to be member of the Committee w.e.f. 7<sup>th</sup> September 2024.</p> <p>** Ceased to be member of the Committee w.e.f. 7<sup>th</sup> September 2024.</p> <p>*** Ceased to be member of the Committee w.e.f. 3<sup>rd</sup> April 2024.</p>
<b>Meetings</b>	One (1) meeting of the committee was held during the year on 6 <sup>th</sup> September 2024.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. O P Singh, Chairperson	1	1
Ms. Arundhati Mech, Member	1	1
Mr. Anshul Swami, Member	1	1
Mr. Dinesh Singhal, Member	1	0
Mr. Dinesh Kumar Mittal, Member	1	1

vii. **IT Strategy and Information Systems Security Committee**

<b>Brief Terms of Reference/Roles and Responsibilities</b>	<ol style="list-style-type: none"> <li>Annually review and approve IT strategy, policy documents/agreements of the Bank, taking into account the changes to the Banks business plans and IT environment and recommend the same for the approval of the Board;</li> <li>Ensuring that management has an effective IT strategic planning process in place;</li> <li>Reviewing and ratifying that the business strategy is aligned with the IT strategy of the Bank;</li> <li>Ensuring that the IT organisational structure serves the business requirements of the Bank and its direction;</li> <li>Exercise oversight over implementation of processes and practices so as to ensure that IT delivers value to the businesses of the Bank;</li> <li>Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;</li> <li>Ensuring proper balance of IT investments for sustaining Bank's growth;</li> <li>Assess exposure to IT risks and its controls and evaluating effectiveness of management in monitoring of such IT risks;</li> <li>Assessing senior management's performance in implementing IT strategies;</li> <li>Reviewing high level guidance of policy matters relating to IT viz. related to risk, funding or sourcing of tasks.</li> <li>Assessing if IT architecture has been designed to derive maximum business value from IT;</li> <li>Reviewing IT performance measurement and contribution of the IT Department to the businesses of the Bank i.e. delivering the promised value;</li> <li>To approve capital and revenue expenditure in respect of IT procurements.</li> <li>Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;</li> <li>Overseeing the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks;</li> <li>Review the activities of the IT Steering Committee of the Bank.</li> <li>Review the IT/ Cyber Security Policy of the Bank and guide the management in implementing appropriate information security management measures/ practices taking into account the business needs of the Bank.</li> <li>Reviewing strategy for addressing cyber security risks and review of related issues.</li> <li>Review IT related frauds, if any.</li> <li>Review the Risk Management Policy of the Bank, with respect to Cyber Security posture of the Bank and recommend measures to mitigate any risk arising therefrom.</li> <li>Reporting of IT &amp; Cyber Security Incidents.</li> <li>Review the effectiveness and efficiency of information security arrangements and recommend areas for improvement.</li> <li>Exercise oversight to ensure effective functioning of the IT Operations of the Bank.</li> <li>Review the governance mechanism relating to outsourced processes,</li> <li>Review the Business Continuity Plan (BCP)/Disaster Recovery (DR) Plan of the Bank and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement.</li> <li>To review such other matters as may be required under applicable laws, rules, regulations and guidelines issued by the Reserve Bank of India or any other statutory/ regulatory authority, from time to time.</li> </ol>
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<b>Composition</b>	Members of IT Strategy and Information Systems Security Committee of the Board during financial year under review are:  1. Mr. Shankar Aggarwal, Chairperson  2. Ms. Veena Hingarh, Member  3. Mr. Malay Mukherjee, Member  4. Mr. Dinesh Kumar Mittal, Member  5. Mr. K Narasimha Murthy, Member*  * Ceased to be member of the committee w.e.f. 3 <sup>rd</sup> April 2024.
<b>Meetings</b>	Four (4) meetings of the committee were held during the year on 5 <sup>th</sup> June 2024, 7 <sup>th</sup> September 2024, 21 <sup>st</sup> November 2024, and 21 <sup>st</sup> March 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Shankar Aggarwal, Chairperson	4	4
Ms. Veena Hingarh, Member	4	3
Mr. Malay Mukherjee, Member	4	4
Mr. Dinesh Kumar Mittal, Member	4	4

viii. Credit and Investment Committee

<b>Brief Terms of Reference/ Roles and Responsibilities</b>	<ol style="list-style-type: none"> <li>To review and approve: <ol style="list-style-type: none"> <li>all Loan with any other collateral above ₹ 10 crores to ₹ 15 Crores;</li> <li>All corporate lending including NBFC up to ₹ 15 crores;</li> </ol> </li> <li>All Loan over ₹ 5 crores against immovable property to New to Bank (NTB) (Shivalik).</li> <li>To recommend Loan above ₹ 15 Crores to the Board of Directors for consideration and approval.</li> </ol>
<b>Composition</b>	Members of the Credit and Investment Committee of the Board during the financial year under review are:  <ol style="list-style-type: none"> <li>Mr. Shankar Aggarwal, Chairperson*</li> <li>Mr. Malay Mukherjee, Chairperson**</li> <li>Mr. Dinesh Kumar Mittal, Member</li> <li>Mr. Anshul Swami, Member</li> <li>Mr. K Narasimha Murthy, Member***</li> </ol> <p>* Mr. Shankar Aggarwal appointed as Chairperson of the Committee w.e.f. 21<sup>st</sup> April 2024.</p> <p>**Ceased to be Chairperson and appointed as Member of the Committee w.e.f. 21<sup>st</sup> April 2024</p> <p>*** Ceased to be Member of the Committee w.e.f. 3<sup>rd</sup> April 2024.</p>
<b>Meetings</b>	Eight (8) meetings of the committee were held during the year on 29 <sup>th</sup> July 2024, 27 <sup>th</sup> August 2024, 24 <sup>th</sup> September 2024 (Adjourned to 28 <sup>th</sup> September 2024), 16 <sup>th</sup> November 2024, 21 <sup>st</sup> December 2024, 28 <sup>th</sup> January 2025, 27 <sup>th</sup> February 2025, and 20 <sup>th</sup> March 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Mr. Shankar Aggarwal, Chairperson	8	8
Mr. Dinesh Kumar Mittal, Member	8	8
Mr. Malay Mukherjee, Member	8	8
Mr. Anshul Swami, Member	8	8

ix. Capital Management Committee

<b>Brief Terms of Reference/ Roles and Responsibilities</b>	<ol style="list-style-type: none"> <li>To oversee the effectiveness of the Company's capital management processes;</li> <li>To receive and review management's recommendation regarding the declaration of common stock dividends and to make recommendations to the Board regarding such dividends;</li> <li>To advise on potential merger, acquisition or expansion opportunities or on such other matters not within the duties, responsibilities and authority of another board committee;</li> <li>To review merger and acquisition proposals of Bank;</li> <li>To oversight on capital optimisation framework and its implementation;</li> <li>To review of next three-year capital plan on rolling basis;</li> <li>To monitor the capital needs of the Company, to report to the Board on the capital adequacy, and to make recommendations to the Board regarding any proposed securities issuances;</li> <li>To approve annual capital raising plan and approval of terms for each instrument for recommending to Board;</li> <li>To evaluate and recommend the quantum of funds to be raised by the Company to meet the regulatory requirement each year;</li> <li>Evaluate various modes available for fund raising through issuance of equity shares, compulsory or optionally convertible debentures/bonds, foreign currency exchangeable bonds, foreign currency convertible bonds etc. through various modes including but not limited to right issue and/or private placement and/or qualified institutional placement and/or preferential issue and/or through a combination thereof and recommend the most suitable proposal to the Board of Directors;</li> <li>Appoint, terminate, reappoint legal advisors, advisors, consultants, and any other professionals or intermediaries etc. on such terms and conditions as deemed fit to evaluate various options;</li> <li>Delegate all or any of the authorisations conferred as above to any Officer(s) / Authorised Representative(s) of the Company; and</li> <li>Do all such acts, deeds, matters and things as it may require in its absolute discretion, deemed necessary, expedient, usual or proper in furtherance of the above;</li> <li>To review and reassess the adequacy of the Committee charter at least annually and to recommend to the Board any proposed changes to the charter.</li> </ol>
<b>Composition</b>	Members of the Capital Management Committee of the Board during the financial year under review are:  <ol style="list-style-type: none"> <li>Ms. Arundhati Mech, Chairperson*</li> <li>Mr. Malay Mukherjee, Member**</li> <li>Mr. Dinesh Kumar Mittal, Member</li> <li>Mr. Anshul Swami, Member</li> <li>Mr. K Narasimha Murthy, Member***</li> </ol> <p>* Appointed as Chairperson of the Committee w.e.f. 21<sup>st</sup> April 2024.</p> <p>**Ceased to be Chairperson and appointed as Member of the Committee w.e.f. 21<sup>st</sup> April 2024.</p> <p>** Ceased to be Member of the Committee w.e.f. 3<sup>rd</sup> April 2024.</p>
<b>Meetings</b>	Two (2) meetings of the committee were held during the year on 5 <sup>th</sup> September 2024, and 20 <sup>th</sup> March 2025.

Name of the Members of the Committee	No. of Meetings	
	Eligible to attend	Attended
Ms. Arundhati Mech, Chairperson	2	2
Mr. Dinesh Kumar Mittal, Member	2	2
Mr. Malay Mukherjee, Member	2	2
Mr. Anshul Swami, Member	2	2

### Meeting of Independent Directors

Pursuant to Section 149(8) read with Schedule IV of the Companies Act, 2013 a meeting of the Independent Director of the Bank is required to be held once a year in absence of Non-Independent Director.

During the FY 2024-25, the Independent Directors of the Bank met on 5th June 2024, chaired by Mr. Shankar Aggarwal, and discussed & reviewed the below matters without the presence of the Non-Independent Director and other members of Management.

- i. Performance of Non-Independent Directors, the Board of Directors as a whole, Chairperson of the Bank.
- ii. The quality, quantity, and timeliness of flow of information between the management of the Bank and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.
- iii. Whether adequate time is spent by the Board on discussions on important issues.
- iv. Update on existing corporate governance practices.

### Director & Officer’s Liability Insurance Policy

Bank has undertaken Directors and Officers insurance (D & O insurance') for all its directors, including Independent Directors, for a quantum and risks as determined by the Board of Directors of the Bank from time to time.

#### Details of Senior Management of the Bank as on date this report

Name	Designation
Mr. Anshul Swami	Managing Director and Chief Executive Officer
Mr. Gaurav Seth	Whole time Director and Chief Financial Officer
Mr. Gaurav Mittal	Chief Operating Officer
Mr. Anshul Sharma	Chief Risk Officer
Mr. Samiran Gogoi	Chief Compliance Officer
Mr. Ramesh Thimmana	Chief Information Officer & Chief Technology Officer
Mr. Wribhu Tyagi	Chief Digital Officer
Mr. Suneel Joshi	Head of Internal Audit
Ms. Shruti Pandey	Company Secretary
Mr. Neeraj Sati	Head of Retail Assets & Financial Inclusion
Mr. Divya Sethi	Head of Branch Banking
Mr. Gyanendra Bajpai	Head of Credit

### Other Functional Committees of the Bank

Apart from the above, the Board has constituted various other Board Delegated Committee with specific terms of reference as it may deem fit from time to time.

### Compensation Policy

The Bank has an approved Compensation Policy that governs the compensation and benefits of the employees, Material Risk Takers (MRTs), Whole-Time Directors including Managing Director & CEO, as well as Executive and Non-Executive Directors. This policy is aligned with the RBI’s circular/guideline dated 4th November 2019 (Ref No. DOR.Appt.BC.No.23/29.67.001 /2019-20) on Guidelines on Compensation of Whole-Time Directors/Chief Executive Officers /Other Risk Takers and Control Function Staff, etc. along with any subsequent guidelines issued by the RBI from time to time. This policy also complies with Section 178 of the Companies Act, 2013, and the applicable rules and amendments thereunder.

The objective of the Compensation Policy is to ensure effective governance of the compensation structure of Directors (including Independent Directors), KMPs, MRTs, Control Function Staff, Senior Management Personnel and other employees in accordance with criteria laid down by the Nomination and Remuneration Committee and in compliance with applicable laws, rules, regulations, and relevant guidelines.

The abovesaid policy encompasses all aspects of the compensation structure such as fixed pay, variable pay, perquisites, performance bonus, share-linked instruments such as employee stock options etc. The policy is annually reviewed by the Board of Directors, in addition to the other amendments that may be required in the policy.

### Directors’ Remuneration Criteria

#### Remuneration of Executive Director

On the recommendation of the Nomination and Remuneration Committee, the Board of the Bank approves remuneration to Executive Directors subject to approval of the shareholder’s and the Reserve Bank of India, as applicable. The approved remuneration is also governed by the terms of the respective employment agreement executed between the Bank and Executive Directors

The remuneration details of the Executive Director i.e. Mr. Anshul Swami, MD & CEO of the Bank for FY 24-25 including fixed pay and variable pay is as per the terms of approval of RBI, details are as follows:

#### Details of Remuneration/Compensation of Managing Director and Chief Executive Officer paid during FY 2024-25

Particulars	Amount (INR)
<b>PART-A: Fixed Pay effective 1<sup>st</sup> April 2024</b>	1,04,89,500/-
	up to 165.50% of annual fixed pay, subject to approval of the Reserve Bank of India. The variable pay shall be paid in cash and non-cash components as per the terms of the Compensation Policy of the Bank and the RBI
<b>PART-B: Variable Pay</b>	guidelines. The variable pay is subject to the deferral and malus/ clawback clauses in terms of the Compensation Policy of the Bank and the RBI guidelines.

A proper balance between fixed pay and variable pay is maintained in the remuneration structure of the Executive Director. The variable component comprises a mix of cash and non-cash instrument, which is paid under deferral arrangement in line with guideline issued by the Reserve Bank of India. The Executive Director’s remuneration is also subject to malus and clawback provisions, which are invoked in the event of subdued or negative financial performance of the Bank.

Pursuant to approval received from Reserve Bank of India (RBI), Mr. Anshul Swami, Managing Director & CEO of the Bank, has been reappointed for a further period of three years, effective from 26th April 2025.

### Remuneration of Non-Executive Directors

All Non-Executive Directors of the Bank are paid sitting fees of ₹ 50,000/- for every Board meeting and Board Committees meeting for attending the meetings, which is within the permissible limit prescribed under the Companies Act, 2013, and other regulatory guidelines, as amended from time to time.

The RBI vide its Circular no. DoR.HGG.GOV.REC.75/29.67.001/2023-24 on Review of Fixed Remuneration granted to Non-Executive Directors (NEDs) dated 9th February 2024 allowed payment of compensation to Non-Executive Directors [other than Part-time Chairman (Independent Director)] in the form of a fixed remuneration not exceeding ₹ 30,00,000 (Rupees Thirty Lakhs Only) per annum, in addition to sitting fees and expenses related to attending meetings of the Board and its committees.

During the Financial Year ended 31st March 2025, the Non-Executive Directors have been paid sitting fees for attending the Board & Board Committees meetings, the details of which are provided below:

S. No.	Name of Director	Sitting Fees (Amount in INR)
1.	Mr. Dinesh Kumar Mittal	19,50,000
2.	Mr. Shankar Aggarwal	12,50,000
3.	Ms. Arundhati Mech	10,50,000
4.	Ms. Veena Hingarh	11,00,000
5.	Dr. Shalini Lal	7,50,000
6.	Mr. Malay Mukherjee	14,00,000
7.	Mr. Dinesh Singhal	50,000
8.	Mr. Om Prakash Singh	4,00,000
<b>Total</b>		<b>79,50,000</b>

*Note: None of the Non-executive Independent Directors have any pecuniary relationship or transaction with the Bank apart from receiving sitting fee and compensation/ profit related commission/honorarium as applicable.*



GENERAL BODY MEETING:

A. ANNUAL GENERAL MEETING:

Location and time of last three (3) Annual General Meetings (AGMs) and number of special resolutions passed thereat:

S. No.	Year	Particular of Meeting	Date & Time	Location	Special Business passed, if any
1.	2023-24	4th Annual General Meeting	20 <sup>th</sup> July 2024 Time: 10 a.m.	Registered Office of the Bank	<div><div>1.</div><div>To consider re-appointment of Ms. Veena Hingarh (DIN: 00885567) as an Independent Director of the Bank.</div><div>2.</div><div>To consider re-appointment of Dr. Shalini Lal (DIN: 08128182) as an Independent Director of the Bank.</div><div>3.</div><div>To consider re-appointment of Ms. Arundhati Mech (DIN: 09177619) as an Independent Director of the Bank.</div><div>4.</div><div>Appointment of Mr. Dinesh Singhal (DIN: 00178786), as an Independent Director of the Company.</div><div>5.</div><div>Amendment in Articles of Association of the Company.</div><div>6.</div><div>Approval for ratification of remuneration paid to Mr. Anshul Swami (DIN: 09446950) as Managing Director and Chief Executive Officer of the Company and approval of terms and conditions thereof.</div></div>
2.	2022-23	3 <sup>rd</sup> Annual General Meeting	22 <sup>nd</sup> July 2023 Time: 10:00 a.m	Registered Office of the Bank	<div><div>1.</div><div>Appointment of Mr. Om Prakash Singh (DIN: 06526171) as an Independent Director (Non-Executive Director) of the Bank.</div><div>2.</div><div>Amendment in Articles of Association of the Company.</div></div>
3.	2021-22	2 <sup>nd</sup> Annual General Meeting	19 <sup>th</sup> September 2022 Time: 10:00 a.m.	Through Video Conferencing ("VC") and other audio-visual means ("OAVM")	<div><div>1.</div><div>Appointment of Mr. Anshul Swami (DIN: 09446950) as the Director of the Company.</div><div>2.</div><div>Appointment of Mr. Anshul Swami (DIN: 09446950) as Managing Director and Chief Executive Officer of the Bank and approval of terms and conditions thereof.</div><div>3.</div><div>Appointment of Mr. Malay Mukherjee (DIN: 02272425), as an Independent Director of the Company.</div><div>4.</div><div>Appointment of Mr. Dinesh Kumar Mittal (DIN: 0040000), as Non-executive Director of the Company.</div></div>

B. EXTRA-ORDINARY GENERAL MEETING:

Location and time of last three (3) of last Extra-Ordinary General Meetings (EGM) and number of special resolutions passed thereat:

S. No.	Year	Particular of Meeting	Date & Time	Location	Special Resolutions passed if any
1.	2024-25	1 <sup>st</sup> Extra Ordinary General Meeting	25 <sup>th</sup> May 2024 Time: 10.00 a.m.	2nd Floor, Plot No 6A, Add India Tower, Sector 125, Noida - 201303	<div><div>1.</div><div>Increase in Authorised Share Capital and amendment of Memorandum of Association of the Company.</div><div>2.</div><div>Issue of Equity Shares on Private Placement basis to Lightspeed India Partners IV, LLC.</div><div>3.</div><div>Issue of Equity Shares on Private Placement basis to Sorin Investment Fund.</div><div>4.</div><div>Issue of Equity Shares on Private Placement basis to Quona Accion Inclusion Fund III, L.P.</div><div>5.</div><div>Issue of Equity Shares on Private Placement basis to Accel India VII (Mauritius) Ltd.</div></div>
2.	2023-24	3 <sup>rd</sup> Extra Ordinary General Meeting	27 <sup>th</sup> March 2024 Time: 10.00 a.m.	2 <sup>nd</sup> Floor, Plot No 6A, Add India Tower, Sector 125, Noida - 201303	<div><div>1.</div><div>To consider re-appointment of Mr. Shankar Aggarwal (DIN: 02116442) as an Independent Director of the Bank.</div><div>2.</div><div>To consider approval for amendment to "2021 Employee Stock Option Scheme"</div><div>3.</div><div>To authorize the Board of Directors to Borrow money in excess of paid-up capital, free reserves, and securities premium of the Bank u/s section 180(1)(C) of the Companies Act, 2013.</div></div>
3.	2023-24	2 <sup>nd</sup> Extra Ordinary General Meeting	13 <sup>th</sup> January 2024 Time: 10.00 a.m.	501, Salcon Aurum, Jasola District Centre, New Delhi – 110 025	<div><div>1.</div><div>Issue of Equity Shares on Private Placement basis to Quona Accion Inclusion Fund III, L.P.</div><div>2.</div><div>Issue of Equity Shares on Private Placement basis to Accel India VII (Mauritius) Ltd.</div></div>

General shareholders Information:

1.	Date of Incorporation	12 <sup>th</sup> July 2020
2.	Corporate Identification Number	U65900DL2020PLC366027
3.	Registered Office Address	501, Salcon Aurum, Jasola District Centre, New Delhi - 110025
4.	Address of correspondence and contact detail	2 <sup>nd</sup> and 3 <sup>rd</sup> Floor, Plot No 6A, Add India Tower, Sector 125, Noida - 201303
5.	Name of Depositories	National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL)
6.	Registrar and share Transfer Agent	<b>KFIN Technologies Limited</b> Reg. Office: Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500 032.  CIN L72400TG2017PLC117649  Contact Number: 040-44857874 / 75 / 76  Email: einward.ris@kfintech.com

7.	Share Transfer System	<p>All shares of the Bank are held in dematerialised form and are available for trading in the dematerialised form under both the depositories viz. NSDL and CDSL during FY 2024-25.</p> <p>The requisite fees were duly paid to the depositories. The Bank has also appointed KFIN Technologies Limited as the connectivity agent to provide electronic connectivity interface with NSDL and CDSL for securities of the Bank. No shares were held by Bank in the demat suspense account or unclaimed suspense account.</p> <p>The Bank's shares are traded under compulsory dematerialised mode and freely tradable and the share transfer process is monitored by the Registrar and Share Transfer Agent of the Bank.</p>
8.	4 <sup>th</sup> Annual General Meeting	<p>Date: 20<sup>th</sup> July 2024</p> <p>Time: 10 a.m.</p> <p>Venue: 501, Salcon Aurum, Jasola District Centre, New Delhi -110 025</p>
9.	Financial Year	The Bank follows the financial year starting from 1 <sup>st</sup> April to 31 <sup>st</sup> March, every year.

**Other Disclosure:**

**1. Code of Conduct**

The Board has adopted the Code of Conduct & Ethics for Directors and Senior Management Personnel and for all the employees of the Bank. The Code of Conduct and Ethics is a statement of the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that are expected in order that the right decisions are taken in performing roles and responsibilities across various functions in the Bank.

The Code is intended to be the charter of the Bank, to enable to make the right decisions and, therefore, serves to:

- underline the fundamental commitment to compliance with regulatory guidelines and laws of the land.
- set forth basic parameters of ethical behavior.
- establish a system for detection and reporting of known or suspected ethical or violations of regulation.

All members of the Board and Senior Management Personnel affirmed compliance with the Code of Conduct for Board and Senior Management for FY 2024-25.

**2. Investor Grievance Redressal**

The Bank has appointed 'KFINTECH" or "Kfin Technologies Limited" as the RTA of the Bank to carry out the share transfer and other work associated thereto. 'KFINTECH" has appropriate systems to ensure that requisite service is provided to investors of the Bank in accordance with the corporate, securities and other applicable laws and within the adopted service standards. The Stakeholder Relationship Committee review/evaluate the performance of RTA on yearly basis.

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report, dividend warrant and any other query relating to the securities of the Bank, investors may contact the RTA, Kfin Technologies Limited at [reachus@kfintech.com](mailto:reachus@kfintech.com). For any escalations, shareholders may write to the Bank at [investorrelations@shivalikBank.com](mailto:investorrelations@shivalikBank.com). The addresses and contact details of the RTA are provided in the General Shareholder Information section of the Corporate Governance Report. During the year, the Bank has not received any complaint from the shareholder/debenture holder. There were no investor complaints pending as of 31st March 2025.

**Distribution of Shareholding as on 31st March 2025**

Category (Shares)	No. of Shareholders	% Shareholding	Total Shares
1 – 5000	63	0.06%	94,670
5001 – 10000	20	0.11%	1,62,610
10001 – 20000	29	0.28%	4,17,340
20001 – 30000	22	0.35%	5,23,616
30001 – 40000	3	0.07%	1,10,010
40001 – 50000	7	0.20%	3,00,930
50001 – 100000	33	1.65%	24,58,130
100001 & above	83	97.27%	14,46,49,491
<b>Total</b>	<b>260</b>	<b>100%</b>	<b>14,87,16,797</b>

**Categories of Shareholders as on 31st March 2025:**

Category	Total Shares	% Shareholding
Promoter and Promoter Group	6,47,16,406	43.52%
Investors	4,48,60,025	30.16%
Resident Individual	3,57,54,851	24.04%
Non-Resident individual	3,00,000	0.20%
Body Corporate	25,45,455	1.71%
Others	5,40,060	0.36%
<b>Total</b>	<b>14,87,16,797</b>	<b>100%</b>

**List of Shareholders holding more than 1% share in the Bank as on March 31, 2025**

S. No.	Name of Shareholders	No. of Shares	%age of Shareholding
1	Mr. Dinesh Kumar Mittal	3,67,61,779	24.72%
2	M/s. Accel India VII (Mauritius) Limited	1,38,58,459	9.32%
3	M/s. Quona Accion Inclusion Fund III L.P.	1,38,58,459	9.32%
4	Mr. Sanjeev Kumar Mittal	1,14,58,703	7.71%
5	Mr. Yashvir Kumar Gupta	1,04,50,000	7.03%
6	M/s. Lightspeed India Partners IV, LLC	69,21,968	4.65%
7	M/s. Sorin Investment Fund	69,21,968	4.65%
8	M/s. Business Strategy Advisory Services Private Ltd.	33,19,844	2.23%
9	Mr. Sudhir Gupta	28,75,000	1.93%
10	Mr. Vishal Garg	21,80,000	1.47%
11	M/s. Leo Technology Fund VCC – SFB1	21,61,548	1.45%
12	Mr. Darshan Goyal	20,00,000	1.34%
13	M/s. Metmin Finance and Holding Pvt. Ltd.	20,00,000	1.34%
14	Mr. Sudhakar Agarwal	20,00,000	1.34%
15	M/s. Devendra Agrotech Private Limited	18,00,010	1.21%



### 3. Related Party Transaction

There were no materially significant transactions with related parties including promoters, directors, or relatives of the Directors during the financial year under review which could lead to a potential conflict with the interest between the Bank and these parties. There were no material individual transactions with related parties, which were not in the ordinary course of business of the Bank, nor were there any transactions with related parties, which were not on arm's length basis.

Suitable disclosure as required by the Accounting Standards (AS-18) have been made in the notes to the Financial Statements. The Board of Directors has formulated a Related Party Transactions policy of the Bank. The Policy on Related Party Transactions is available on the website as [https://shivalikbank.com/regulatory\\_section.php](https://shivalikbank.com/regulatory_section.php).

### 4. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has zero tolerance towards sexual harassment at the workplace and has adopted a Prevention and Redressal of Sexual Harassment Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Bank believes that all employees, including other individuals who are dealing with the bank, have the right to be treated with dignity.

Summary of sexual harassment complaints received and disposed off by the Bank during FY 2024-25 are hereunder:

S. No.	Particulars	Details
1	Number of complaints of sexual harassment received during the relevant financial year	4
2	Number of complaints disposed off during the relevant financial year	4
3	Number of complaints pending as on end of the financial year	Nil

The Anti Sexual Harassment policy have been disclosed on the website of the Bank at [https://shivalikbank.com/regulatory\\_section.php](https://shivalikbank.com/regulatory_section.php).

### 5. Whistle Blower Policy / Vigil Mechanism

The Bank has adopted an internal Code of Ethics & Business Conduct, which lays down the principles and standards that govern the actions of the Bank and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Bank. The role of employees in pointing out such violations of the Code cannot be undermined.

The Bank is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Bank encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment in line with the stated Whistle Blower Policy.

During the financial year under review, the Bank/ Chief Vigilance Officer received two cases under the Whistle Blower Mechanism, which has been closed.

The Whistle Blower Policy have been disclosed on the website of the Bank at [https://shivalikbank.com/regulatory\\_section.php](https://shivalikbank.com/regulatory_section.php).

### 6. Declaration of independence

All Independent Directors have provided an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors as per the Section 149(7) of the Companies Act, 2013 read with Rule 6 (3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board hereby affirms that the Independent Directors fulfil the conditions and are independent of the Management.

The terms and conditions of appointment of Independent Directors have been hosted on the Bank's website at [https://shivalikbank.com/regulatory\\_section.php](https://shivalikbank.com/regulatory_section.php).

### 7. Compliances:

There were no instances of non – compliance by the Bank on any matter related to capital markets, no penalty have been imposed on the Bank by the Registrar of Companies, Reserve Bank of India, or any other statutory authority on such matters.

### 8. Succession Plan:

The Bank recognizes the importance of a sound succession plan for Directors and Senior Management executives to ensure stability, operational continuity, and sustainable long-term growth of the institution. The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly appointments to the Board and Senior Management positions. The Bank has put in place detailed succession management policy in this regard.

### 9. Credit Rating

The Bank's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The following table covers the Credit Ratings of the Bank as on 31st March 2025:

Instrument	Nature	Rating	Rating Agency	Amount (in crore)
Long Term Borrowing/ Tier II Bond	Positive outlook	IVR A (with positive outlook)	Infomerics Valuation and Rating Pvt. Ltd.	INR 50 Crores

### 10. Means of Communication

- Annual Report containing Financial Statements, Board's Report, Auditor's Report and other information are circulated to members and others who are entitled to it through permitted mode.
- Financial results are published in leading local and national newspaper.
- In case of any query, shareholders may write to the Company Secretary at [investorrelations@shivalikbank.com](mailto:investorrelations@shivalikbank.com).

### 11. Accounting Treatment

The Bank has adopted accounting policies which are in line with the Accounting Standards. The Financial Statements of the Bank have been prepared in accordance with the Accounting Standards as per the Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and Banking Regulation Act, Guidelines issued by Reserve Bank of India and Listing Regulations.

### 12. Fee paid to Statutory Auditor

Total fee of ₹ 25,61,500 was paid by the Bank for the financial year 2024-25 for the services rendered by the statutory auditors.

### 13. Fair Practices Code

The Bank has adopted the Fair Practices Code pursuant to the RBI guidelines issued in this regard, which is placed on the Bank's website and displayed at all Branches of the Bank.

### 14. Regular Updates

The Bank keeps the Board and stakeholders updated on the happenings at the Bank and all events and happenings of importance in the sector.

For and on Behalf of  
**SHIVALIK SMALL FINANCE BANK LIMITED**

(Anshul Swami)

MD & CEO

DIN: 09446950

Date:

Place: Noida

# INDEPENDENT AUDITOR’S REPORT

To the Members of  
**Shivalik Small Finance Bank Limited**

## Report On The Audit Of The Financial Statements

### Opinion

We have audited the financial statements of SHIVALIK SMALL FINANCE BANK LIMITED (“the Bank”), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss, the Cash Flow for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and the Companies Act, 2013 (“the Act”) in the manner so required for the banking companies and give a true and fair view in conformity with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 (“AS”) and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2025, and its profit, and its Cash Flow for the year ended on that date.

### Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Information Other Than The Financial Statements And Auditors’ Report Thereon

The Bank’s Board of Directors is responsible for the other information. The other information comprises the directors report, management discussions and analysis (MD&A) and corporate governance report, but does not include the financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities Of Management And Those Charged With Governance For The Financial Statements

The Bank’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Accounts) Rules, 2021 in so far as they apply to the Bank and provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India (“RBI”) from time to time (the ‘RBI Guidelines’).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank’s financial reporting process.

### Auditors’ Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report On Other Legal And Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Accounting Standards specified under section 133 of the Act, and relevant rules issued thereunder.
2. As required sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
  - (b) The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank; and
  - (c) The financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by branches.
  - (d) In our opinion, the Profit and Loss Account gives a true and fair view of profit for the year ended on 31 March, 2025.



3. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books except for the matters stated in the paragraph 3 h (vi) below on reporting under Rule 11(g).
  - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, and rules framed thereunder to the extent they are not inconsistent with the accounting guidelines prescribed by RBI
  - e) On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in Annexure “A” to this report
  - g) In our opinion, the entity being a banking company, the remuneration to the whole-time director during the year ended 31 March, 2025, has been paid by the Bank in accordance with the provisions of Section 35B (2A) of the Banking Regulation Act, 1949;
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Bank does not have any pending litigations which would impact its financial position as at 31 March 2025.

- (ii) The Bank did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses.
- (iii) There was no amount required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31 March, 2025.
- (iv)
  1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons / entities, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  2. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Bank from any persons / entities, including foreign entities, that the Bank has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  3. Based on the audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Bank has not paid or proposed any dividend during the year.

- (vi) Based on our examination which included test checks, the Bank used Finacle (for financial transactions) and BSG Treasury (for investment records) accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.
4. We report that during the course of our audit we have visited and performed select relevant procedures at 23 branches covering more than 50% of gross advances as at 31 March,

2025 for the purpose of our audit, in compliance with the extant RBI Circular. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the Core Banking System, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at Head Office based on the records and data required for the purpose of audit being made available to us.

For **GSA Associates & LLP**  
**Chartered Accountants**  
 Firm's Registration No.: 000257N/N500339

**Kriti Kant Chadha**  
 Partner  
 Membership No. 515629  
 UDIN: 25515629BMLHWN8006

Place: Noida  
 Date: June 10, 2025

## Annexure A To The Independent Auditor’s Report

(Referred to in paragraph 3 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### Independent Auditor’s Report On The Internal Financial Controls With Reference To Financial Statements Under Clause (i) Of Sub-Section 3 Of Section 143 Of The Companies Act, 2013 (“The Act”)

To the Members of  
**Shivalik Small Finance Bank Limited**

We have audited the internal financial controls with respect to financial statements of Shivalik Small Finance Bank Limited (“the Bank”) as of 31 March 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

### Management’s Responsibility For Internal Financial Controls With Reference To Financial Statements

The Bank’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

### Auditors’ Responsibility For Internal Financial Controls With Reference To Financial Statements

Our responsibility is to express an opinion on the Bank’s internal financial controls with reference to financial statements of the Bank based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with

reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank’s internal financial controls system with reference to financial statements.

### Meaning Of Internal Financial Controls With Reference To Financial Statements

A Bank’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank’s assets that could have a material effect on the financial statements.

### Inherent Limitations Of Internal Financial Controls With Reference To Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2025, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GSA & Associates LLP**

Chartered Accountants

Firm’s Registration No. 000257N/N500339

**Kriti Kant Chadha**

Partner

Membership No. 515629

UDIN: 25515629BMLHWN8006

Place: Noida

Date: June 10, 2025



## Balance Sheet

As at 31st March, 2025

(Amounts in ₹ thousands, unless otherwise stated)			
Particulars	Schedule	As at March 31, 2025	As at March 31, 2024
<b>Capital and Liabilities</b>			
(1) Capital	1A	14,87,168	12,19,160
(2) Share warrants	1B	7,200	7,200
(3) Reserves and surplus	2	20,18,997	10,95,346
(4) Deposits	3	3,16,10,625	2,40,96,555
(5) Borrowings	4	51,50,647	33,58,372
(6) Other liabilities and provisions	5	9,22,961	5,08,596
<b>Total</b>		<b>4,11,97,598</b>	<b>3,02,85,229</b>
<b>Assets</b>			
(1) Cash and balances with Reserve Bank of India	6	32,27,858	18,67,522
(2) Balance with banks and money at call and short notice	7	2,18,746	9,76,122
(3) Investments	8	63,45,290	49,56,309
(4) Advances	9	2,93,45,595	2,09,53,790
(5) Fixed assets	10	14,19,527	10,24,896
(6) Other assets	11	6,40,582	5,06,590
<b>Total</b>		<b>4,11,97,598</b>	<b>3,02,85,229</b>
Contingent liabilities	12	47,948	49,981
Bills for collection		-	-
Significant accounting policies and notes forming part of the financial statements	17-18		

The schedules referred to above form an integral part of the balance sheet. The balance sheet has been prepared in conformity with Form A to the third schedule of the Banking Regulation Act, 1949.

As per our report of even date

**For GSA & Associates LLP**

Chartered Accountants

Firm Registration No.: 000257N/N500339

**Kriti Kant Chadha**

Partner

Membership No.: 515629

Place: Noida

Date: 10th June 2025

For and on behalf of the Board of Directors of

**Shivalik Small Finance Bank Limited**

**Shankar Aggarwal**

Director

DIN:02116442

**Gaurav Seth**

Whole-Time Director & CFO

DIN: 06724718

Place: Noida

Date: 10th June 2025

**Anshul Swami**

Managing Director and CEO

DIN:09446950

**Shruti Pandey**

Company Secretary

Membership No. : 34796

## Profit and Loss Account

for the year ended on 31st March, 2025

(Amounts in ₹ thousands, unless otherwise stated)			
Particulars	Schedule No.	Year ended on 31 March, 2025	Year ended on 31 March, 2024
<b>I. Income</b>			
Interest earned	13	37,48,097	28,06,710
Other income	14	4,80,743	2,87,050
<b>Total</b>		<b>42,28,840</b>	<b>30,93,760</b>
<b>II. Expenditure</b>			
Interest expended	15	20,76,918	14,46,586
Operating expenses	16	19,42,795	14,61,641
Provisions and contingencies	18.13(e)	1,99,699	1,61,579
<b>Total</b>		<b>42,19,412</b>	<b>30,69,806</b>
<b>III. Profit/Loss</b>			
Net profit/(loss) for the year		9,428	23,954
Profit/(loss) brought forward		10,135	(6,610)
<b>Total</b>		<b>19,563</b>	<b>17,344</b>
<b>IV. Appropriations</b>			
Transfer to :			
Statutory reserves		2,357	5,989
Special reserve u/s 36(1)(viii) of Income Tax Act, 1961		1,279	1,221
Capital Reserve		5,792	-
Investment fluctuation reserve		-	-
Balance carried over to balance sheet		10,135	10,135
<b>Total</b>		<b>19,563</b>	<b>17,344</b>
<b>Earning Per Share (₹) (Basic)</b>		0.07	0.22
(Nominal Value ₹ 10 per share)			
<b>Earning Per Share (₹) (Diluted)</b>		0.07	0.21
(Nominal Value ₹ 10 per share)			
Significant Accounting Policies	17		
Notes on Accounts	18		
The Schedules 1 to 18 form an integral part of the Accounts			

As per our report of even date

**For GSA & Associates LLP**

Chartered Accountants

Firm Registration No.: 000257N/N500339

**Kriti Kant Chadha**

Partner

Membership No.: 515629

Place: Noida

Date: 10th June 2025

For and on behalf of the Board of Directors of

**Shivalik Small Finance Bank Limited**

**Shankar Aggarwal**

Director

DIN:02116442

**Gaurav Seth**

Whole-Time Director & CFO

DIN: 06724718

Place: Noida

Date: 10th June 2025

**Anshul Swami**

Managing Director and CEO

DIN:09446950

**Shruti Pandey**

Company Secretary

Membership No. : 34796

# Cash Flow Statement

For the Year Ended March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(I) Net profit/(loss) after tax	9,428	23,954
Provision for tax	1,153	7,531
Net profit/(loss) before tax	10,581	31,485
(II) Adjustments for:		
Depreciation on bank's property	2,22,146	1,35,229
Amortization of premium on investments (held to maturity)	3,263	2,832
Amortization of discount on investments (held to maturity)	(22,080)	-
Provision for non performing assets	1,70,801	1,32,414
Provision for standard assets	22,525	21,634
Loss on sale of fixed assets	1,158	947
Employee share based payment expenses	3,846	10,412
Operating profit before working capital changes	4,12,240	3,34,953
(III) Adjustments for net change in operating assets and liabilities:		
Decrease/ (Increase) in investments (other than HTM)	(6,27,309)	7,91,710
Decrease/ (Increase) in advances	(85,62,606)	(70,12,494)
(Decrease)/ Increase in deposits	75,14,070	51,53,969
Decrease/ (Increase) in other assets	(1,24,220)	(1,36,730)
(Decrease)/ Increase other liabilities and provisions	3,91,840	2,22,294
Cash generated from operations	(9,95,985)	(6,46,298)
Direct taxes paid (net of refund)	(10,925)	(7,531)
Net cash from / (used in) operating activities (A)	(10,06,910)	(6,53,829)
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchase of fixed assets	(6,27,655)	(5,32,215)
Proceeds from sale of fixed assets	9,720	1,538
Investments in HTM securities (Net)	(7,40,497)	(4,17,385)
Net cash used in investing activities (B)	(13,58,432)	(9,48,062)

(Amounts in ₹ thousands, unless otherwise stated)		
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share warrants	-	-
Money received on issue of shares	11,88,194	6,79,989
Proceeds from borrowings (net)	17,92,275	17,13,231
Share issue expenses	(12,167)	(838)
Net cash flow from financing activities (C)	29,68,302	23,92,382
Net increase in cash and cash equivalents (A)+(B)+(C)	6,02,960	7,90,491
Cash and cash equivalents at the beginning of the year	28,43,644	20,53,153
Cash and cash equivalents at the end of the year	34,46,604	28,43,644
Cash and cash equivalent comprises :		
Cash and balances with Reserve Bank of India	32,27,858	18,67,522
Balance with banks and money at call and short notice	2,18,746	9,76,122
	34,46,604	28,43,644

Notes:

- 1
- The above cash flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (accounting standards) amendment rules, 2021.

As per our report of even date

For GSA & Associates LLP

Chartered Accountants

Firm Registration No.: 000257N/N500339

Kriti Kant Chadha

Partner

Membership No.: 515629

For and on behalf of the Board of Directors of

Shivalik Small Finance Bank Limited

Shankar Aggarwal

Director

DIN:02116442

Gaurav Seth

Whole-Time Director & CFO

DIN: 06724718

Anshul Swami

Managing Director and CEO

DIN:09446950

Shruti Pandey

Company Secretary

Membership No. : 34796

Place: Noida

Date: 10th June 2025

Place: Noida

Date: 10th June 2025



## Notes to the financial statements

For the year ended March 31, 2025

### Schedule 1A: Capital

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>I Authorised Capital</b>		
Equity Shares 18,00,00,000 shares of ₹ 10 each (previous year 14,00,00,000 shares of ₹ 10 each)	18,00,000	14,00,000
Preference Shares 2,00,00,000 Shares of ₹ 10 each (previous year 2,00,00,000 shares of ₹ 10 each)	2,00,000	2,00,000
	<b>20,00,000</b>	<b>16,00,000</b>
<b>II Issued Capital</b>		
Equity Shares 14,87,16,797 shares of ₹ 10 each (previous year 12,62,15,158 shares of ₹ 10 each)	14,87,168	12,62,152
Preference Shares Nil (previous year 1,00,00,000 shares of ₹ 10 each)	-	1,00,000
	<b>14,87,168</b>	<b>13,62,152</b>
<b>III Subscribed Capital</b>		
Equity Shares 14,87,16,797 shares of ₹ 10 each (previous year 12,14,15,999 shares of ₹ 10 each)	14,87,168	12,14,160
Preference Shares Nil (previous year 1,00,00,000 shares of ₹ 10 each)	-	1,00,000
	<b>14,87,168</b>	<b>13,14,160</b>
<b>IV Subscribed and Fully Paid-up Share Capital</b>		
Equity Shares 14,87,16,797 shares of ₹ 10 each (previous year 12,14,15,999 shares of ₹ 10 each)	14,87,168	12,14,160
	<b>14,87,168</b>	<b>12,14,160</b>
<b>V Subscribed but not Fully Paid-up Share Capital</b>		
Preference Shares Nil Shares (previous year 1,00,00,000 shares of ₹ 0.5 paid up)	-	5,000
	-	<b>5,000</b>
<b>Total Equity (IV+V)</b>	<b>14,87,168</b>	<b>12,19,160</b>

\*The bank has not issued any shares in other than cash during the year.

### Schedule 1B: Share warrants

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>I Share warrants authorised for issue</b>		
60,00,000 warrants of ₹ 10 each (previous year: 60,00,000 warrants of ₹ 10 each)	60,000	60,000
	<b>60,000</b>	<b>60,000</b>
<b>II Share warrants issued and paid-up</b>		
60,00,000 warrants of ₹ 10 each, ₹ 1.20 partly paid-up (previous year: 60,00,000 warrants ₹ 1.20 partly paid-up)	7,200	7,200
	<b>7,200</b>	<b>7,200</b>

## Notes to the financial statements

For the year ended March 31, 2025

### Schedule-2: Reserves and surplus

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>I. Statutory reserves</b>		
Opening Balance	1,56,708	1,50,720
Additions during the year under the Banking Regulation Act, 1949	2,357	5,989
Deductions during the year	-	-
<b>Sub-Total</b>	<b>1,59,065</b>	<b>1,56,708</b>
<b>II. Capital Reserves</b>		
Opening Balance	-	-
Additions during the year	5,792	-
Deductions during the year	-	-
<b>Sub-Total</b>	<b>5,792</b>	<b>-</b>
<b>III. Share premium</b>		
Opening Balance	8,89,755	3,52,298
Additions during the year	9,20,186	5,38,295
Deductions during the year	12,167	838
<b>Sub-Total</b>	<b>17,97,774</b>	<b>8,89,755</b>
<b>IV. Revenue and Other Reserves</b>		
<b>A. Investment fluctuation reserve</b>		
Opening Balance	19,733	19,733
Additions during the year	-	-
Deductions during the year	-	-
<b>Sub-Total</b>	<b>19,733</b>	<b>19,733</b>
<b>B. Employee stock option plan reserve</b>		
Opening Balance	17,794	7,382
Additions during the year	3,846	10,412
Deductions during the year	-	-
<b>Sub-Total</b>	<b>21,640</b>	<b>17,794</b>
<b>C. Special reserve u/s 36(1)(viii) of Income Tax Act, 1961</b>		
Opening Balance	1,221	-
Additions during the year	1,279	1,221
Deductions during the year	-	-
<b>Sub-Total</b>	<b>2,500</b>	<b>1,221</b>
<b>D. AFS Reserve</b>		
Opening Balance	-	-
Additions during the year	2,358	-
Deductions during the year	-	-
<b>Sub-Total</b>	<b>2,358</b>	<b>-</b>
<b>V. Balance in Profit and Loss Account</b>	<b>10,135</b>	<b>10,135</b>
<b>Total (I, II and III)</b>	<b>20,18,997</b>	<b>10,95,346</b>

#### Description of the nature and purpose Reserves and Surplus

##### Statutory Reserves

The Bank has made an appropriation of ₹ 2,357 thousand out of profits for the year ended March 31, 2025 (previous year : ₹ 5,989 thousand) to the Statutory Reserve pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated 23 September, 2000 as amended time to time.

##### Capital Reserve

The bank has created a capital reserve of ₹ 5,792 thousand as a statutory requirement, it forms part of the Bank's Tier I capital. Unlike other revenue reserves, the Capital Reserve is cannot be utilised for dividend distribution or other discretionary purposes.

# Notes to the financial statements

For the year ended March 31, 2025

## Share Premium

Share premium reserve is used to record the premium on issue of shares. The reserve is utilised only for limited purpose such as issuance of bonus shares and share issue expenses in accordance with the provisions of the Companies Act, 2013.

## Investment Fluctuation Reserve

Bank has to create an Investment Fluctuation Reserve until the amount in the IFR is at least 2% of the HFT and AFS portfolio on accounting basis

The Bank has to transfer lower of the following into Investment Fluctuation Reserve Account :-

- (i) Net Profit on the Sale of the investment during the year
- (ii) Net Profit for the year less mandatory appropriation

During the year the Bank has earned a profit of ₹ 9,428 thousand(previous year : ₹ 23,954 thousand). Since investment fluctutaion reserve is more than 2%,of HFT and AFS portfolio,The Bank has not transferred the any amount into the Investment Fluctuation Reserve during the current year.

## Special reserve u/s 36(1)(viii) of Income Tax Act, 1961

Bank has opted for section 36(i)(viii) of the income tax act 1961, hence a separate reserve is required to be maintained.

## Schedule-3: Deposits

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>A.I. Demand deposits</b>		
(i) From banks	56	2,627
(ii) From others	15,34,095	15,62,265
<b>Sub-Total</b>	<b>15,34,151</b>	<b>15,64,892</b>
<b>II. Savings bank deposits</b>	55,53,775	51,76,363
<b>III. Term deposits</b>		
(i) From banks	46,23,808	25,85,998
(ii) From others	1,98,98,891	1,47,69,302
<b>Sub-Total</b>	<b>2,45,22,699</b>	<b>1,73,55,300</b>
<b>Total(I+II+III)</b>	<b>3,16,10,625</b>	<b>2,40,96,555</b>
<b>B.I Deposits of branches in India</b>	3,16,10,625	2,40,96,555
<b>B.II Deposits of branches outside India</b>	-	-
<b>Total</b>	<b>3,16,10,625</b>	<b>2,40,96,555</b>

# Notes to the financial statements

For the year ended March 31, 2025

## Schedule-4 : Borrowings

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>I. Borrowings in India</b>		
<b>(i) Secured</b>		
(a) Reserve Bank of India*	-	1,63,962
(b) Other banks**	9,50,608	1,90,444
<b>Total secured borrowings</b>	<b>9,50,608</b>	<b>3,54,406</b>
<b>(ii) Unsecured</b>		
(a) Other institutions and agencies***	42,00,039	30,03,966
<b>Total Unsecured Borrowings</b>	<b>42,00,039</b>	<b>30,03,966</b>
<b>Sub-Total (secured and unsecured)</b>	<b>51,50,647</b>	<b>33,58,372</b>
<b>II. Borrowings outside India</b>	-	-
<b>Total (I and II)</b>	<b>51,50,647</b>	<b>33,58,372</b>

\* Other than Tri-Party Repo, and LAF borrowings .

\*\* Borrowings from other banks includes the CCIL REPO for amounting to ₹9,50,608 thousand

\*\*\*Includes long term deposits from individuals amounting to ₹ 75,900 thousand (previous year : ₹ 75,900 thousand) and Refinance taken from NABARD,SIDBI and NHB for amounting to ₹ 36,50,800 thousands (previous year : ₹ 25,21,300 thousand)

## Schedule-5 : Other liabilities and provisions

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
I Bills payable	2,74,450	79,203
II Inter-office adjustment (net)	-	-
III Interest accrued*	2,11,955	1,29,750
IV Others (including provisions)**	4,36,556	2,99,643
<b>TOTAL</b>	<b>9,22,961</b>	<b>5,08,596</b>

\* Interest accrued on deposits is due to the frequency of payment of interest being aligned as per the deposits anniversary date instead of calender quarter.

\*\*Includes provision for standard assets amounting to ₹ 92,201 thousand (previous year : ₹ 69,962 thousand).

## Schedule 6 : Cash and balances with Reserve Bank of India

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
I. Cash in hand (including foreign currency notes)	1,16,025	1,66,351
II. Balances with Reserve Bank of India		
a. in current account	10,31,833	8,41,171
b. in other accounts-reverse repo	20,80,000	8,60,000
<b>Total (I and II)</b>	<b>32,27,858</b>	<b>18,67,522</b>



# Notes to the financial statements

For the year ended March 31, 2025

## Schedule 7 : Balance with banks and money at call and short notice

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>I. In India</b>		
(i) Balances with banks		
(a) In current accounts	66,146	53,922
(b) In other deposit accounts	1,52,600	9,22,200
<b>Total Balances with banks</b>	<b>2,18,746</b>	<b>9,76,122</b>
(ii) Money at call and short notice		
(a) with banks	-	-
(b) with other institutions	-	-
<b>Money at call and short notice</b>	<b>-</b>	<b>-</b>
<b>Sub-Total</b>	<b>2,18,746</b>	<b>9,76,122</b>
<b>II. Outside India</b>		
(i) Balances with banks		
(a) In current accounts	-	-
(b) In other deposit accounts	-	-
<b>Total Balances with banks</b>	<b>-</b>	<b>-</b>
(ii) Money at call and short notice	-	-
<b>Total Money at call and short notice</b>	<b>-</b>	<b>-</b>
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>Grand Total (I and II)</b>	<b>2,18,746</b>	<b>9,76,122</b>

## Schedule 8 :Investments

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>I. Investments in India (net of provision)</b>		
(i) Government securities	63,45,290	47,81,569
(ii) Other approved securities	-	-
(iii) Shares	-	-
(iv) Debentures and bonds	-	2,472
(v) Subsidiaries and/or joint ventures	-	-
(vi) Others (Purchase of agriculture loan portfolio through securitization)	-	1,72,268
<b>Sub-Total</b>	<b>63,45,290</b>	<b>49,56,309</b>
<b>II. Investments outside India (net of provision)</b>		
(i) Government securities (including local authorities)	-	-
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Others investments (to be specified)	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>Grand Total (I and II)</b>	<b>63,45,290</b>	<b>49,56,309</b>

# Notes to the financial statements

For the year ended March 31, 2025

## Schedule 9: Advances

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>A.</b> (i) Bills purchased and discounted	-	-
(ii) Cash credits, overdrafts and loans repayable on demand	1,16,89,119	94,88,119
(iii) Term loans	1,76,56,476	1,14,65,671
<b>Total</b>	<b>2,93,45,595</b>	<b>2,09,53,790</b>
<b>B.</b> (i) Secured by tangible assets*	2,57,10,893	1,63,50,880
(ii) Covered by Bank/Government guarantees**	7,23,539	-
(iii) Unsecured	29,11,163	46,02,910
<b>Total</b>	<b>2,93,45,595</b>	<b>2,09,53,790</b>
<b>C.</b> (I). Advances in India		
(i) Priority sector	1,80,11,840	1,30,56,539
(ii) Public sector	-	-
(iii) Banks	-	-
(iv) Others	1,13,33,755	78,97,251
<b>Total</b>	<b>2,93,45,595</b>	<b>2,09,53,790</b>
<b>C.</b> (II). Advances outside India		
(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>Grand Total (C.I and II)</b>	<b>2,93,45,595</b>	<b>2,09,53,790</b>

\*Secured by the tangible assets also includes advances secured against book debts.

\*\* Covered under the CGFMU scheme.

## Notes to the financial statements

For the year ended March 31, 2025

### Schedule 10 : Fixed assets

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
<b>A. Tangible assets</b>		
<b>I. Premises</b>		
At cost as on 31st March of the preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
<b>Total</b>	-	-
<b>Depreciation</b>		
As at 31st March of the preceeding year	-	-
Add: charge during the year	-	-
Deductions during the year	-	-
<b>Total</b>	-	-
<b>Net block</b>	-	-
<b>II. Other fixed assets (including furniture and fixtures)</b>		
At cost as on 31st March of the preceding year	10,81,139	7,75,164
Additions during the year	3,95,816	3,32,712
Deductions during the year	23,227	26,737
Depreciation to date*		
	<b>14,53,728</b>	<b>10,81,139</b>
<b>* Depreciation</b>		
As at 31st March of the preceeding year	4,20,551	3,09,574
Add: charge during the year	2,22,147	1,35,229
Deductions during the year	12,349	24,252
<b>Total</b>	<b>6,30,349</b>	<b>4,20,551</b>
<b>Net block</b>	<b>8,23,379</b>	<b>6,60,588</b>
<b>III. Capital work-in progress</b>		
At cost as on 31st March of the preceding year	3,64,308	1,64,805
Additions during the year	3,86,123	2,80,224
Deductions during the year	1,54,283	80,721
<b>Total</b>	<b>5,96,148</b>	<b>3,64,308</b>
<b>Total (I,II and III)</b>	<b>14,19,527</b>	<b>10,24,896</b>

## Notes to the financial statements

For the year ended March 31, 2025

### Schedule-11 : Other assets

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
I. Inter-office adjustments (net)	-	-
II. Interest accrued	93,271	1,10,736
III. Tax paid in advance/ tax deducted at source (Net of Provision for Taxes)	18,988	9,216
IV. Stationery and stamps	6,449	11,839
V. Non-banking assets acquired in satisfaction of claims	11,236	14,700
VI. Deferred Tax Assets (Net)	75,053	43,281
VII. Others	4,35,585	3,16,818
<b>Total</b>	<b>6,40,582</b>	<b>5,06,590</b>

### Schedule-12 : Contingent liabilities

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
I. Claims against the bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents		
(a) In India	29,187	33,644
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable (DEAF )*	18,761	16,337
<b>Total</b>	<b>47,948</b>	<b>49,981</b>

\* Refer note 18.9

### Schedule 13 : Interest earned

(Amounts in ₹ thousands, unless otherwise stated)		
	Year ended March 31, 2025	Year ended March 31, 2024
I. Interest/discount on advances/bills	33,06,103	23,63,809
II. Income on investments	3,76,120	3,72,006
III. Interest on balances with Reserve Bank of India and other inter-bank funds	64,319	70,869
IV. Others*	1,555	26
<b>Total</b>	<b>37,48,097</b>	<b>28,06,710</b>

\* Includes interest earned on income tax refund.



# Notes to the financial statements

For the year ended March 31, 2025

## Schedule 14 : Other income

(Amounts in ₹ thousands, unless otherwise stated)		
	Year ended March 31, 2025	Year ended March 31, 2024
I. Commission, exchange and brokerage	76,145	51,952
II. Profit on sale of investments	46,831	12,428
Less: Loss on sale of investments	-	-
III. Profit on revaluation of investments		
IV. Profit on sale of land, buildings and other assets	1,227	1,096
Less: Loss on sale of land, buildings and other assets	(2,385)	(2,043)
V. Profit on exchange transactions	-	-
Less: Loss on exchange transactions		
VI. Processing fees and Charges recovered	3,37,233	2,04,364
VII. Miscellaneous Income*	21,692	19,253
<b>Total</b>	<b>4,80,743</b>	<b>2,87,050</b>

\*Miscellaneous income includes ₹ 4,993 thousand (previous year : ₹ 4,038 thousand) of locker rent and ₹ 4,589 thousand (previous year : ₹ 4,603 thousand) as UPI income.

## Schedule 15 : Interest expended

(Amounts in ₹ thousands, unless otherwise stated)		
	Year ended March 31, 2025	Year ended March 31, 2024
I. Interest on deposits	17,68,595	12,33,891
II. Interest on Reserve Bank of India/ Inter-bank borrowings	479	1,059
III. Others*	3,07,844	2,11,636
<b>Total</b>	<b>20,76,918</b>	<b>14,46,586</b>

\*Includes ₹ 2,45,416 thousand (previous year : ₹ 1,48,722 thousand) of interest paid on refinance and ₹ 20,154 thousand (previous year : ₹ 24,571 thousand) as repo interest.

## Schedule 16 : Operating expenses

(Amounts in ₹ thousands, unless otherwise stated)		
	Year ended March 31, 2025	Year ended March 31, 2024
I. Payments to and provisions for employees	3,76,701	3,40,127
II. Rent, taxes and lighting	90,590	77,998
III. Printing and stationery	7,297	3,694
IV. Advertisement and publicity	6,338	7,204
V. Depreciation on bank's property	2,22,146	1,35,229
VI. Director's fees, allowances and Expenses	8,666	7,494
VII. Auditors' fees and expenses (including branch auditors)	3,210	3,506
VIII. Law charges (including professional fees)	52,995	56,421
IX. Postages, Telegrams, Telephones, etc.	2,924	2,543
X. Repairs and maintenance (includes AMC)	35,356	33,553
XI. Insurance	42,860	34,449
XII. Other expenditure*	10,93,712	7,59,423
<b>Total</b>	<b>19,42,795</b>	<b>14,61,641</b>

\*Includes Outsourcing expenses, security, system management fees, amortisation of investment premium and payout to business correspondents. Refer note 18.15(m) for disclosure of other expenditure being more than 1% of total income

# Notes to the financial statements

For the year ended March 31, 2025

## 17 Significant Accounting Policies

### 17.1 Basis of Preparation

The financial statements are prepared under the historical cost convention, on accrual basis of accounting on going concern basis, unless otherwise stated and in conformity with statutory provisions and generally accepted accounting principles. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory/ Reserve Bank of India (RBI) guidelines, Banking Regulation Act, 1949, Accounting Standards/ Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and the practices prevalent in the banking industry in India.

### 17.2 Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from these estimates and will be adjusted in the accounts of the year in which they arise. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively.

### 17.3 Revenue Recognition

- (i) Items of income and expenditure are generally accounted for on accrual basis except interest on overdue bills, insurance premium paid on Housing Loans and interest on tax refunds are accounted for on realisation/payment basis. Dividend is accounted when the right to receive the same is established.
- (ii) Income from non-performing assets is recognized to the extent realized, as per the extant instructions issued by Reserve Bank of India
- (iii) Income derecognized on classification of any advance account as NPA is recognized as income on subsequent actual realization and re-classification of asset as standard asset
- (iv) Interest on Government securities, debentures and other fixed income securities is recognized on a period proportional basis. Income on discounted instruments is recognized over the tenor of the instrument on a straight-line basis.

- (v) Any recovery against advances written off in earlier years is considered as income of the year in which the same is recovered.
- (vi) Dividend on equity shares, preference shares and on mutual fund units is recognized as income when the right to receive the dividend is established.
- (vii) Loan processing fee is recognized as income when due. Certain items of income such as Locker Rent, DD Commission and others are recognized on an as collected basis.

### 17.4 INVESTMENTS

#### (i) Categories

In accordance with the extant instructions issued by Reserve Bank of India for the purpose of valuation of Investments, the Bank has classified its Investment portfolio into the following four categories:

- (a) Held To Maturity (HTM): Investments intended to be held till maturity and the contractual terms of the security give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion')
- (b) Available For Sale (AFS): ) The security is acquired with an objective that is achieved by both collecting contractual cash flows and selling securities; and the contractual terms of the security meet the 'SPPI criterion'
- (c) FVTPL (Fair Value through Profit and Loss) : Securities that do not qualify for inclusion in HTM or AFS shall be classified under FVTPL. There is a separate sub category within FVTPL called Held for Trading (HFT)
- (d) Investments in Subsidiaries, Associates and Joint Ventures : All investments in subsidiaries, associates, and joint ventures shall be held sui generis i.e., in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL)

#### (ii) Disclosure

The Investments have been disclosed in the Balance Sheet as under:

# Notes to the financial statements

For the year ended March 31, 2025

- (a) Government Securities

under "Held to Maturity" category are carried at acquisition cost or amortized cost if acquired at a premium over/ discount to face value. Wherever the book value is higher/lower than the face value / redemption value, the premium/ discount is amortized over the remaining period of maturity.
- (b) Other Approved Securities
- (c') Shares
- (d) Debentures and Bonds
- (e') Subsidiaries / Joint Ventures
- (f) Others

(b) The Amortization of premium/ discount on investments in HTM category is calculated on the basis of days remaining to maturity and the amount of amortization is directly debited to the Profit and Loss Account as suggested in the RBI guidelines.

(iii) Valuation

1 Held to Maturity:

(a) All investments shall be measured at fair value on initial recognition. Investments

2 Available for Sale and FVTPL (including Held for Trading)

S. No.	Type of Instrument	Valuation Methodology
1	Government of India Securities	At market prices as published by Fixed Income Money Market and Derivatives Association (FIMMDA)
2	State Development Loans /Other Approved Securities	At appropriate yield to maturity basis as per FIMMDA guidelines
3	Treasury Bills, Commercial Papers and Certificate of Deposits	At carrying cost
4	Equity Shares	(i) Quoted: At market price (ii) Unquoted: At break-up value (means Equity Capital & Reserves as reduced by Intangible Assets and Revaluation Reserves divided by number of equity shares), where latest balance sheet is available (Not more than one year old), otherwise at Re. 1/- per bank
5	Preference Shares	(i) Quoted: At market price (ii) Unquoted: At appropriate yield to maturity as per FIMMDA guidelines
6	Debentures / Bonds	(i) Quoted: At market price (ii) Unquoted: At appropriate yield to maturity based on rating assigned by Rating Agencies as per FIMMDA guidelines
7	Units of Mutual Funds	(i) Quoted: At market price (ii) Unquoted: At repurchase price/ Net Asset Value.
8	Security receipts of Asset Reconstruction Company (ARC/SR)	In case of investment in ARC/SR at NAV declared by ARC/SR or net book value whichever is lower.

3 The above valuation in category of Available for Sale and FVTPL (including Held for Trading) are done scrip wise and depreciation / appreciation is aggregated for each classification. Net depreciation/appreciation for AFS is taken to AFS Reservewhere Net depreciation/ appreciation for FVTPL is recognized in the Profit and Loss account.

4 Transfer of securities from one category to another is done in conformity with the RBI guidelines.

5 Securities purchased/sold under Liquidity Adjustment Facility (LAF)/ Marginal Standby Facility (MSF) with RBI are debited/credited to Investment Account and reversed on maturity of the transaction. Interest

# Notes to the financial statements

For the year ended March 31, 2025

- expanded/earned thereon is accounted for as expenditure/revenue. Subsequent to the change in RBI guidelines repo and reverse repo transactions in government securities and corporate debt securities (including transactions conducted under LAF and Marginal Standby Facility ('MSF') with RBI) are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions are accounted for as interest expense and revenue on reverse repo transactions are accounted for as interest income.

6 The bank shall categorize its investment portfolio into three fair value hierarchies viz. Level 1, Level 2, and Level 3.The details of the investment portfolio shall be disclosed in their notes to accounts of their financial statements as per templates specified in Annex II of RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023. These disclosure requirements shall become effective from the audited financial statements for the financial year ending March 31 2026 onwards.

7 Others:

(i) Brokerage/commission received on subscription is booked in Profit and Loss Account.

(ii) Brokerage, Commission, securities transaction tax etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.

(iii) Broken period interest paid / received on purchase /sale of securities is recognised as interest expense / income

(iv) Prudential norms of RBI for non-performing investment Classification are applied to Investments and appropriate provisions are made in respect of non-performing securities.

(v) Profit/Loss on sale of any Investment in any category is taken to Profit and Loss Account. However, in case of profit on sale of Investments under 'Held to Maturity' category, the residual amount after taxes and amount transferred to statutory reserve is appropriated to Capital Reserve Account.
- (vi) Valuation of HFT and AFS portfolio is done on daily basis and depreciation if any is provided on monthly and quarterly basis respectively.

(vii) In line with RBI Master Circular on "Prudential norms for classification, Valuation and Operation of Investment Portfolio by Banks", bank has followed "Settlement date" accounting for recording purchase and sale of transactions in Investment book.

(viii) In case of investment in Non-SLR securities, till the allotment of security in the Demat account, the amount of investment is shown under "Suspense Investment".

(ix) The bank maintains investment related reserves such as Investment Depreciation Reserve (IDR) and Investment Fluctuation Reserve (IFR) in line with the guidelines of the RBI.

x) Interest on overdue fixed deposits is provided at rate of interest applicable on savings account in accordance with the extant instructions of RBI.
- 17.5 Advances, Provisions and Recoveries

(a) The classification of advances into Standard, Sub-standard, Doubtful and Loss assets, as well as provision on non-performing advances has been arrived at in accordance with the extant instructions issued by the Reserve Bank of India with regard to Income Recognition and Assets Classification (IRAC) from time to time and as applicable for preparation of this Balance Sheet.

(b) Advances are net of technical write-offs made for Non-Performing Assets (NPAs). Non-performing advances are written-off in accordance with the Bank's policies. Recoveries from bad debts written-off are recognized in the Profit and Loss Account and included under other income.

(c') Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of advances, subject to the minimum provisioning level prescribed by the RBI.



# Notes to the financial statements

For the year ended March 31, 2025

- (d) The specific provision levels for non-performing assets are also based on the nature of product and delinquency levels. Specific loan loss provisions in respect of non-performing advances are charged to the Profit and Loss Account and included under Provisions and Contingencies.
- (e') In addition to this, a general provision on standard assets is also made as per the extant instructions issued by Reserve Bank of India in the following manner

Category of Advance (Excluding NPA)	%age provision made
Advances for Commercial Real Estate for commercial use	1.00%
Advances for Commercial Real Estate for Housing needs	0.75%
Advances to agricultural and SME sector	0.25%
Advances against FD, LIC, KVP and NSC	Nil
Other Advances	0.40%

- (f) Provisions made in addition to the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorized as floating provisions. Creation of floating provisions is considered by the Bank up to a level approved by the Board of Directors. In accordance with the RBI guidelines, floating provisions are used up to a level approved by the Board only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any regulatory guidance / instructions. Floating provisions are included under other liabilities.
- (g) In addition to the above, the Bank on a prudent basis makes provisions on advances or exposures which are not NPAs but has reasons to believe on the basis of the extant environment or specific information or basis regulatory guidance / instructions, of a possible slippage of a specific advance or a group of advances or exposures or potential exposures. These are classified as contingent provisions and included under other liabilities.
- (h) The interest in respect of non-performing advances is provided separately under "Overdue Interest Reserve" in accordance with the extant instructions issued by Reserve Bank of India.

- (i) Interest accrued and credited to income on any advance which is classified as a Non-Performing Asset at any time during the year is reversed to the extent this has not been realized.
- (j) The order of appropriation of recoveries in loan accounts is Principal, penal interest and charges.
- (k) The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines. Restructuring of an account is done at a borrower level. If the terms of the loan are changed for competitive reasons or any administrative issues in the loan account which are outside the control of the borrower or where such change would result in an overall acceleration of the loan repayment, such changes are considered a variation of terms at the request of the bank in the normal course of business.

## 17.6 Fixed Assets Depreciation and Amortization

- (a) Fixed Assets are stated and carried in the Balance Sheet at written down value, arrived at cost less depreciation. Cost includes cost of purchase and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit / functioning capability from / of such assets.
- (b) As per applicable accounting standards, the residual value and useful life of assets should be reviewed periodically and if expectations differ from future estimates, this should be considered a change in accounting estimates. Change in accounting estimates are applied prospectively starting with the current financial year and restatement of prior year comparatives is not required.

# Notes to the financial statements

For the year ended March 31, 2025

- (c') Depreciation on Property, Plant, Equipment and software is charged on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management as given below. The useful life have been estimated by the management based on technical advice obtained and pursuant to Part C of Schedule II to the Companies Act, 2013. Determination of useful life of an asset is a matter of judgment and based on various factors such as type and make of an item, its place and pattern of usage, nature of technology, obsolescence factors, availability of spares, etc. and makes a significant impact on the useful life of an asset.
- (d) The applicable depreciation methodology on Fixed Assets is mentioned below:

S. No.	Asset Category	Useful Life
1	Furniture and Fixtures	1-10 Years
2	Safe, Locker Steel Almirah	5-30 Years
3	Office Equipment	1-10 Years
4	Vehicles	5 Years
5	Computer, Printer and servers	3 - 6 Years
6	Softwares	3 - 10 Years
7	Trademarks	10 years
8	Temporary Structures including leasehold improvements	3-10 Years

- (e) Depreciation would be calculated on the basis of the number of days that the asset has been put to use in any given accounting period.
- (f) Depreciation on assets sold during the year is charged up to the date of sale.
- (g) Residual value of Re.1 (Rupee one) is taken for the purpose of calculating depreciation on all types of fixed assets.
- (h) Certain capital expenditures made on assets prior to being available for use represents 'work in progress' assets. Depreciation / amortization of these assets would begin once these are available for use in line with the applicable accounting standards.
- (i) Intangible assets are amortized on a straight line basis over their estimated useful life. The amortization period is reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

## 17.7 Impairment of Assets

Impairment losses, if any, on Fixed Assets including Revalued Assets, are recognized in accordance with Accounting Standard 28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India and charged to Profit and Loss Account.

## 17.8 Foreign Exchange Transactions

- (a) The bank holds Foreign Exchange Authorized Dealer Category-II license and has entered into transactions related to exchange/remittance of foreign currency on behalf of customers during the year. The income and associated GST implications from the above transactions are accounted for in the books of the bank.
- (b) Monetary assets and liabilities are revalued at exchange rates advised by Foreign Exchange Dealers Association of India (FEDAI) at the close of the financial year and the resultant gain/loss is taken to revenue.
- (c) Income and expenditure items are accounted for at the exchange rates prevailing on the date of the transaction.

## 17.9 Employee Benefits

- (a) The bank operates a defined benefit plan for its employees, viz. gratuity liability. The cost of providing benefits under these plans is determined on the basis of an independent actuarial valuation at each year-end.
- (b) The bank maintains the fund under trust deed and requisite insurance arrangements with Life Insurance Corporation of India (LIC) as Employees Group Gratuity Scheme. The shortfall, if any, between the present value of the benefit obligation and the fair value of plan assets as on 31 March is paid/provided for and recognized as expenses in the profit and loss account.
- (c) Bank's Contribution and Employees' contribution towards provident fund is paid every month to Commissioner of Provident Fund in accordance with the provisions of Employees Provident Fund and Misc. Provision Act 1952. Provident Fund contributions are made for each individual and the scheme is administered by Regional Provident Fund Commissioner (RPFC), as applicable. The rate at which the annual interest is payable to the beneficiaries by the trusts is being administered by the government.

# Notes to the financial statements

For the year ended March 31, 2025

- (d) The Bank's contribution to provident fund is accounted for in Profit and Loss account on the basis of contribution to the scheme.
- (e) All earned leaves which are due are paid by the end of the financial year.

## 17.10 Leases

Lease payments for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term.

## 17.11 Taxes on Income

- (a) Income tax expense is the aggregate amount of current tax (including Minimum Alternate Tax (MAT), wherever applicable) and deferred tax.
- (b) Current tax is determined as the amount of tax payable for the year and accordingly provision for tax is made.
- (c) Deferred tax is recognized, subject to consideration of prudence, on timing difference, representing the difference between taxable incomes and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

## 17.12 Provisions, Contingent Liabilities and Contingent Assets

- (a) In conformity with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- (b) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

## 17.13 Earnings Per Share

The bank reports basic and diluted earnings per equity share in accordance with the Accounting Standard 20 "Earnings

Per Share" issued by the Institute of Chartered Accountants of India. Basic earnings per equity share has been computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

## 17.14 Share Issue Expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

## 17.15 Segment information

The bank recognises the business segment as primary reporting segment in accordance with RBI guidelines and in compliance with Accounting Standard -17 issued by ICAI.

## 17.16 Goods and Services Tax (GST)

The Bank has implemented the Goods and Services Tax (GST) regime since its implementation on 1 July 2017. The bank has collected GST on income from commission, other charges and paid GST on operating and capital expenses. The bank availed eligible Input Tax Credit as per GST Rules on relevant expenses which was utilized for set-off of GST collected on income from commission and customer charges. Unutilized Input Tax Credit has been carried forward to the next year for further utilization.

Income and Expense on which GST is applicable are accounted for on net of eligible GST.

## 17.17 Long Term Subordinated (Tier II) Deposit

The amount of Long Term Subordinated (Tier II) Deposit and Interest paid on thereon has been shown under the head "Borrowings" in the Balance Sheet and "Interest on Borrowings" in the Profit and Loss Account respectively.

## 17.18 Refundable Securities

Bank has deposited security amounts with Government and other agencies to acquire services which are refundable and accounted for as other assets. These represent tangible assets and are considered recoverable in future after termination of services.

## 17.19 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.

# Notes to the financial statements

For the year ended March 31, 2025

The balances in Reverse repo are reported as per the guidelines provided by RBI vide its circular dated 19.05.2022. (i.e under Schedule 6, Schedule 7 and Schedule 9 as applicable).

## 17.20 Corporate social responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognized in the Profit and Loss Account.

Since the bank does not meet the threshold, no expense is recognised in PL.

## SCHEDULE 18 : Notes forming part of the Financial Statements for the year ended March 31, 2025

### 18.1 Dividend

The Bank has not paid or declared any dividend for the financial year ended March 31, 2025 (for the previous year ended March 31, 2024: Nil).

### 18.2 Capital Adequacy Ratio

- 1 Capital to risk-weighted asset ratio ("Capital Adequacy Ratio") of the Bank, as on March 31, 2025 has been calculated by using the capital measurement approaches as detailed below:
- 1.1 Credit Risk has been measured by using Basel II Standardized Approach for credit risk, in accordance with the RBI circular no DBR. NBD. No.26/ 16.13.218/2016-17, dated October 06, 2016 on "Operating Guidelines for Small Finance Banks"
- 1.2 Market Risk and Operational Risk has not been considered for measurement of Capital Adequacy Ratio as per the letter issued by the Reserve Bank of India vide reference number DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 to all the small finance banks.
- 1.3 During the year, there has been no draw down from the reserves to the Profit & Loss Account (previous year: Nil)

### The Bank's capital adequacy ratio computed under Basel II is given below:

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
1 Common Equity Tier 1 (CET 1)	34,59,934	22,70,758
2 Tier 1 Capital	34,59,934	22,70,758
3 Tier 2 Capital	4,85,575	4,65,390
<b>Total Capital</b>	<b>39,45,508</b>	<b>27,36,148</b>
4 Total Risk Weighted Assets	1,88,30,162	1,35,53,099
5 Capital Adequacy Ratio under Basel II	.	
6 CET 1	18.37%	16.75%
7 Tier 1	18.37%	16.75%
8 Tier 2	2.58%	3.43%
<b>Total</b>	<b>20.95%</b>	<b>20.19%</b>
9 Leverage ratio	8.34%	7.43%
10 Percentage of the shareholding of Government of India	Nil	Nil
11 Amount of Paid-up Share Capital Raised During the year	2,73,008	1,41,694
12 Amount of non-equity Tier 1 capital raised during the year of which	-	-
(a) Basel III compliant Perpetual Non-Cumulative Preference Share	-	-
(b) Basel III compliant Perpetual Debt Instruments	-	-
13 Amount of Tier 2 capital raised during the year	68,000	1,01,500



# Notes to the financial statements

For the year ended March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
<b>Notes :</b>		
<b>1 Common Equity Tier 1 (CET 1)/ Tier 1 capital</b>		
Equity Shares of 14,87,16,797 ₹ 10 each (previous year 12,14,15,999 shares of ₹ 10 each)	14,87,168	12,14,160
Statutory Reserves	1,59,065	1,56,708
Share premium	17,97,774	8,89,755
Capital Reserve	5,792	-
Balance in Profit and loss account	10,135	10,135
<b>Total Common Equity Tier 1 (CET 1)</b>	<b>34,59,934</b>	<b>22,70,758</b>
<b>2 Tier 2 capital</b>		
General provisions and loss reserves (Reserves for standard and restricted assets)	92,201	69,962
Investment fluctuation reserve	19,733	19,733
Employee share based payment reserve	21,640	17,794
Special reserve u/s 36(1)(viii) of Income Tax Act, 1961	2,500	1,221
Non Convertible Debentures	3,49,500	3,41,500
Long Term Deposits discounted @20% (previous year @40% as per RBI regulations)	-	15,180
<b>Total Tier 2 capital</b>	<b>4,85,575</b>	<b>4,65,390</b>

<sup>1</sup> As per the operative guideline's issued by RBI for small finance banks vide circular number RBI/2016-17/81DBR.NBD.No.26/16.13.218/2016-17 the CET 1 capital and tier 1 capital is considered as same.

# Notes to the financial statements

For the year ended March 31, 2025

## Asset liability management

### 18.3 Maturity Pattern of Key assets and liabilities

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

#### As at March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 Days to 2 months	Over 2 months and to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years.	Over 3 year and up to 5 years.	Over 5 Years	Total
(i) Deposits												3,16,10,624
(a) Volatile	6,14,377	8,19,762	13,81,249	16,46,851	7,11,725	7,50,368	27,73,546	78,03,139	-	-	-	1,65,01,017
(b) Core	-	-	-	-	-	-	-	-	1,25,72,503	14,25,231	11,11,873	1,51,09,607
(ii) Advances	2,78,037	4,48,898	6,08,649	8,52,357	5,82,357	7,61,187	20,45,527	70,05,713	90,71,981	23,31,751	53,59,138	2,93,45,595
(iii) Investments	37,93,045	1,66,549	78,291	1,10,906	3,74,851	94,014	4,71,956	10,11,551	19,43,906	2,13,685	1,66,535	84,25,289
(iv) Borrowings	9,50,609	-	44,901	41,700	-	4,00,000	3,61,754	21,26,933	7,55,250	3,00,000	1,69,500	51,50,647
(v) Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

#### As at March 31, 2024

(Amounts in ₹ thousands, unless otherwise stated)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 Days to 2 months	Over 2 months and to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years.	Over 3 year and up to 5 years.	Over 5 Years	Total
(i) Deposits												2,40,96,555
(a) Volatile	3,66,598	12,09,445	5,93,047	3,27,000	6,09,045	4,39,380	22,02,054	70,21,131	-	-	-	1,27,67,700
(b) Core	-	-	-	-	-	-	-	-	88,50,281	13,91,092	10,87,482	1,13,28,855
(ii) Advances	3,99,017	3,60,923	5,76,172	6,03,134	6,42,594	7,00,545	19,51,106	61,45,608	76,10,224	19,64,467	-	2,09,53,790
(iii) Investments	8,57,451	1,97,596	69,874	1,38,023	1,71,785	1,30,937	5,40,789	15,88,204	12,44,590	10,731	6,329	49,56,309
(iv) Borrowings	1,90,444	-	4,262	271	1,00,000	3,75,000	6,31,933	13,19,062	3,35,900	3,00,000	1,01,500	33,58,372
(v) Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-
(vi) Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

# Notes to the financial statements

For the year ended March 31, 2025

## Notes

### (i) Deposits

The maturity pattern is taken as per the Annexure III of RBI's guidelines on preparation of financial statements Accordingly Savings Bank and Current Deposits has be classified into volatile and core portions. Savings account (10 per cent) and Current account (15 per cent) Deposits is generally withdrawable on demand.Where the volatile portion is be placed in 8-14 days time buckets and core portion is placed in over 1- 3 years bucket

### (ii) Advances

The maturity pattern is taken as per the RBI circular FID.No. 38 / 01.02.00/98-99 dated:20th April 1999 Advances has been classified as per their residual maturity.

For Non Performing Advances

(a) Substandard	
(i) All overdue and instalments of principal falling due during the next three years	In 3-5 year time bucket
(ii) Entire principal amount due beyond the next three years	In the time-bucket arrived at after adding 3 years to the respective due dates of various instalments of principal.
(b) Doubtful and loss	
(i) All instalments of principal falling due during the next five years as also all overdue	In 3-5 year time bucket
(ii) Entire principal amount due beyond the next five years	In the time-bucket arrived at after adding 3 years to the respective due dates of various instalments of principal.

(iii) Investments As per their residual maturity

(iv) Borrowings As per their residual maturity

# Notes to the financial statements

For the year ended March 31, 2025

## 18.3.1 Liquidity Coverage Ratio<sup>1</sup>

(i) Quantitative disclosure on Liquidity Coverage Ratio for the year ended March 31,2025

Particulars	Quarter ended March 31, 2025			Quarter ended December 31, 2024			Quarter ended September 30, 2024			Quarter ended June 30, 2024		
	Total Un-Weighted Value (average)			Total Un-Weighted Value (average)			Total Un-Weighted Value (average)			Total Un-Weighted Value (average)		
	759	759	759	595	595	595	559	559	559	646	646	646
1 Total High-Quality Liquid Assets (HQLA)												
Cash outflows												
2 Retail Deposits and deposits from small business customers of which:	1,894	157		1,737	144		1,721	143		1,540	128	
(i) Stable Deposits	641	32		585	29		590	29		523	26	
(ii) Less stable Deposits	1253	125		1,152	115		1,132	113		1,017	102	
3 Unsecured-Wholesale funding, of which:	554	242		543	289		444	190		492	265	
(i) Operational Deposits (all counterparties)												
(ii) Non-Operational Deposits (all counterparties)	554	242		543	289		444	190		492	265	
(iii) Unsecured Debt	-	-		-	-		-	-		-	-	
4 Secured Wholesale Funding	95	-		67	-		10	-		30	-	
5 Additional Requirements, of which:	352	44		358	45		258	34		289	31	
(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	352	44		358	45		258	34		289	31	
6 Other Contractual funding obligation	53	53		49	49		60	60		56	56	
7 Other Contingent funding obligation	3.02	0.09		3	0		3	0		3	0	
8 Total Cash Outflows	2,950	497		2,757	528		2,497	427		2,411	480	
9 Secured Lending (e.g. reverse repo)	251	-		106	-		54	-		210	-	
10 Inflows from fully performing exposures	135	103		105	76		155	126		103	76	
11 Other Cash inflows	-	-		-	-		-	-		-	-	
12 Total Cash inflows	386	103		211	76		209	126		313	76	
13 Total HQLA	759	-		595	-		559	-		646	-	
14 Total Net Cash Outflows	394	-		452	-		302	-		403	-	
15 Liquidity Coverage Ratio (%)	192.77%	-		131.55%	-		185.32%	-		160.16%	-	



## Notes to the financial statements

For the year ended March 31, 2025

(ii) Quantitative disclosure on Liquidity Coverage Ratio for the year ended March 31,2024

Particulars	Quarter ended March 31, 2024				Quarter ended December 31, 2023				Quarter ended September 30, 2023				Quarter ended June 30, 2023			
	Total Un-Weighted Value (average)		Total Weighted Value (average)		Total Un-Weighted Value (average)		Total Weighted Value (average)		Total Un-Weighted Value (average)		Total Weighted Value (average)		Total Un-Weighted Value (average)		Total Weighted Value (average)	
	532	532	532	532	458	458	458	458	443	443	443	443	360	360	360	360
1 High-Quality Liquid Assets (HQLA)																
Cash outflows																
2 Retail Deposits and deposits from small business customers of which:																
(i) Stable Deposits																
(ii) Less stable Deposits																
3 Unsecured-Wholesale funding, of which:																
(i) Operational Deposits (all counterparties)																
(ii) Non-Operational Deposits (all counterparties)																
(iii) Unsecured Debt																
4 Secured Wholesale Funding																
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																
7 Other Contingent funding obligation																
8 Total Cash Outflows																
9 Secured Lending (e.g. reverse repo)																
10 Inflows from fully performing exposures																
11 Other Cash inflows																
12 Total Cash inflows																
13 Total HQLA																
14 Total Net Cash Outflows																
15 Liquidity Coverage Ratio (%)																

Since the bank is a standalone entity consolidated LCR is not applicable  
In accordance with RBI guidelines vide circular No. RBI/2014-15/529 DBR, No. BPRC.80/21.06.201/2014-15 dated 31st March 2015, average weighted and unweighted amounts have been calculated taking simple daily average.

### 18.3.2Net Stable Funding Ratio<sup>1</sup>

(i) Net stable funding ratio for the year ended 31 March 2025

Particulars	Quarter ended March 31, 2025						Quarter ended December 31, 2024					
	Unweighted Value by residual maturity			Weighted Value			Unweighted Value by residual maturity			Weighted Value		
	No Maturity	less than 6 Months	More Than 6 Months to 1 year	No Maturity	less than 6 Months	More Than 6 Months to 1 year	No Maturity	less than 6 Months	More Than 6 Months to 1 year	No Maturity	less than 6 Months	More Than 6 Months to 1 year
ASF Item												
1 Capital (2+3)	-	-	-	399	399	399	-	-	-	369	369	369
2 Regulatory Capital	-	-	-	399	399	399	-	-	-	369	369	369
3 Other Capital Instruments	-	-	-	-	-	-	-	-	-	-	-	-
4 Retail deposits and deposits from small business customers:(5+6)	638	396	471	839	2,150	613	458	353	686	1,950		
5 Stable Deposits	128	175	174	278	719	123	281	233	386	972		
6 Less Stable Deposits	510	221	296	562	1,431	490	177	120	300	979		
7 Wholesale funding :(8+9)	70	318	326	103	266	60	336	89	31	258		
8 Operational Deposits	-	-	-	-	-	-	-	-	-	-		
9 Other Wholesale Funding	70	318	326	103	266	60	336	89	31	258		
10 Other Liabilities (11+12)	76	207	205	76	220	156	220	26	97	90		
11 NSFR Derivative liabilities	-	-	-	-	-	-	-	-	-	-		
12 All other liabilities and equity not included in the above categories	76	207	205	76	220	156	220	26	97	90		
13 Total ASF (1+4+7+10)	783	922	1,002	1,417	3,036	828	1,015	469	1,182	2,667		
RSF Items												
14 Total NSFR high quality liquid assets (HQLA)	115	336	-	507	30	218	141	-	501	27		
15 Deposits held at other financial institutions for operational purposes	7	-	-	-	3	14	-	-	-	7		
16 Performing loans and securities: (17+18+19+21+23)	8	390	1175	1293	1907	10	437	644	861	1,270		
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-		
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	43	56	165	200	-	56	56	23	59		

# Notes to the financial statements

For the year ended March 31, 2025

Particulars	Quarter ended March 31, 2025					Quarter ended December 31, 2024			
	Unweighted Value by residual maturity					Unweighted Value by residual maturity			
	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year
19 Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	343	1,115	914	1,548	-	365	571	638
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	14	2	19	20	-	-	-	-
21 Performing residential mortgages, of which:	-	5	5	213	151	-	17	17	199
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	4	4	175	118	-	13	13	152
23 Securities that are not in default and do not qualify as HQLA, including exchange traded equities	8	-	-	-	8	10	-	-	0
24 Other assets: (sum of rows 25 to 29)	200	19	21	52	293	207	33	13	416
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-	-	-	-	-
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction margin posted	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	200	19	21	52	293	207	33	13	416
30 Off-balance sheet item	-	174	172	-	17	-	104	-	245
31 Total RSF (14+15+16+24+30)	330	919	1,369	1,852	2,250	449	715	657	2,023
32 Net Stable Funding Ratio (%)	237.66%	100.25%	73.20%	76.50%	134.93%	184%	142%	71%	58%

Since the bank is a standalone entity consolidated NSFR is not applicable

## 18.3.2Net Stable Funding Ratio<sup>1</sup>

(i) Net stable funding ratio for the year ended 31 March 2025

# Notes to the financial statements

For the year ended March 31, 2025

Particulars	Quarter ended September 30, 2024					Quarter ended June 30, 2024				
	Unweighted Value by residual maturity					Unweighted Value by residual maturity				
	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value
ASF Item										
1 Capital (2+3)	-	-	-	376	376	329	-	-	48	376
2 Regulatory Capital	-	-	-	328	328	329	-	-	-	329
3 Other Capital Instruments	-	-	-	48	48	-	-	-	48	48
4 Retail deposits and deposits from small business customers : (5+6)	618	516	983	6	1,943	67	929	916	6	1,757
5 Stable Deposits	126	178	346	-	618	21	255	306	-	553
6 Less Stable Deposits	492	337	637	6	1,325	46	674	610	6	1,204
7 Wholesale funding : (8+9)	60	510	159	94	326	11	597	228	100	329
8 Operational Deposits	-	-	-	-	-	-	-	-	-	-
9 Other Wholesale Funding	60	510	159	94	326	11	597	228	100	329
10 Other Liabilities (11+12)	95	10	-	-	-	91	30	-	-	-
11 NSFR Derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	95	10	-	-	-	91	30	-	-	-
13 Total ASF (1+4+7+10)	773	1,036	1,142	476	2,645	498	1,555	1,144	154	2,462
RSF Items										
14 Total NSFR high quality liquid assets (HQLA)	125	93	-	457	25	118	234	-	433	23
15 Deposits held at other financial institutions for operational purposes	7	-	-	-	4	3	-	-	-	1
16 Performing loans and securities: (17+18+19+21+23)	0	451	702	1,358	1,666	0	266	911	1,173	1,559
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	120	20	107	135	-	26	76	101	144



## Notes to the financial statements

For the year ended March 31, 2025

Particulars	Quarter ended September 30, 2024					Quarter ended June 30, 2024				
	Unweighted Value by residual maturity					Unweighted Value by residual maturity				
	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value
19 Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	330	682	1,073	1,409	-	240	835	923	1,314
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	161	381	46	301	-	129	378	41	280
21 Performing residential mortgages, of which:	-	0	0	178	122	-	0	0	149	101
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	0	0	147	96	-	0	0	127	83
23 Securities that are not in default and do not qualify as HQLA, including exchange traded equities	0	-	-	-	0	0	-	-	-	0
24 Other assets: (sum of rows 25 to 29)	174	3	3	50	230	164	4	4	40	212
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-	-	-	-	-	-
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	174	3	3	50	230	164	4	4	40	212
30 Off-balance sheet item	-	3	-	246	12	-	3	-	285	14
31 Total RSF (14+15+16+24+30)	306	551	705	2,111	1,938	285	507	915	1,932	1,809.29
32 Net Stable Funding Ratio (%)	252%	188%	162%	23%	136.49%	175%	307%	125%	8%	136.08%

Since the bank is a standalone entity consolidated NSFR is not applicable

(ii) Net stable funding ratio for the year ended 31 March 2024

(Amounts in ₹ crores, unless otherwise stated)

Particulars	Quarter ended March 31, 2024					Quarter ended December 31, 2023				
	Unweighted Value by residual maturity					Unweighted Value by residual maturity				
	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value
ASF Item										
1 Capital (2+3)	-	-	-	281	281	-	-	161	48	209
2 Regulatory Capital	-	-	-	233	233	-	-	161	-	161
3 Other Capital Instruments	-	-	-	48	48	-	-	-	48	48
4 Retail deposits and deposits from small business customers;(5+6)	674	257	490	422	1,703	609	209	513	565	1,743
5 Stable Deposits	392	105	216	181	849	375	100	279	349	1,029
6 Less Stable Deposits	282	152	273	241	854	234	109	233	216	714
7 Wholesale funding ;(8+9)	-	223	209	135	482	-	91	110	71	137
8 Operational Deposits	-	-	-	-	-	-	-	-	-	-
9 Other Wholesale Funding	-	223	209	135	482	-	91	110	71	137
10 Other Liabilities (11+12)	-	165	168	7	158	-	146	64	62	95
11 NSFR Derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	-	165	168	7	158	-	146	64	62	95
13 Total ASF (1+4+7+10)	674	646	867	844	2,623	609	447	849	746	2,183
RSF items										
14 Total NSFR high quality liquid assets (HQLA)	231	4	10	426	22	113	34	-	459	25
15 Deposits held at other financial institutions for operational purposes	5	-	-	-	3	5	-	-	-	3
16 Performing loans and securities; (17+18+19+21+23)	-	549	684	833	1,523	2	388	618	770	1,350
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	35	62	0	37	-	30	38	43	66

## Notes to the financial statements

For the year ended March 31, 2025

Particulars	Quarter ended March 31, 2024					Quarter ended December 31, 2023				
	Unweighted Value by residual maturity					Unweighted Value by residual maturity				
	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value
<b>ASF Item</b>										
19 Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:										
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	513	604	833	1,478	-	358	541	727	1,263
21 Performing residential mortgages, of which:	-	-	-	-	-	-	-	-	-	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	10	10	107	108	-	10	10	98	100
23 Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	0	17	-	9	2	0	39	-	21
24 Other assets: (sum of rows 25 to 29)	-	-	-	162	162	-	-	-	145	7
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-	-	-	-	-	-
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	-	-	-	162	162	-	-	-	145	7
30 Off-balance sheet item	-	3	-	134	7	-	3	-	101	5
<b>31 Total RSF (14+15+16+24+30)</b>	<b>236</b>	<b>556</b>	<b>694</b>	<b>1,554</b>	<b>1,717</b>	<b>120</b>	<b>425</b>	<b>618</b>	<b>1,474</b>	<b>1,389</b>
32 Net Stable Funding Ratio (%)	285%	116%	125%	54%	153%	507%	105%	137%	51%	157.13%

Since the bank is a standalone entity consolidated NSFR is not applicable

## Notes to the financial statements

For the year ended March 31, 2025

Particulars	Quarter ended September 30, 2023					Quarter ended June 30, 2023				
	Unweighted Value by residual maturity					Unweighted Value by residual maturity				
	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value
<b>ASF Item</b>										
1 Capital (2+3)	-	-	-	210	210	-	-	-	204	204
2 Regulatory Capital	-	-	-	203	203	-	-	-	198	198
3 Other Capital Instruments	-	-	-	7	7	-	-	-	6	6
4 Retail deposits and deposits from small business customers:(5+6)	618	149	276	590	1,545	556	204	153	628	1,471
5 Stable Deposits	260	71	115	233	649	257	89	74	245	644
6 Less Stable Deposits	358	78	160	357	896	299	114	79	384	827
7 Wholesale funding :(8+9)	-	155	94	149	214	-	167	106	47	184
8 Operational Deposits	-	-	-	-	-	-	-	-	-	-
9 Other Wholesale Funding	-	155	94	149	214	-	167	106	47	184
10 Other Liabilities (11+12)	-	137	69	99	69	-	100	88	139	66
11 NSFR Derivative liabilities	-	-	-	-	-	-	-	-	-	-
12 All other liabilities and equity not included in the above categories	-	137	69	99	69	-	100	88	139	66
<b>13 Total ASF (1+4+7+10)</b>	<b>618</b>	<b>441</b>	<b>439</b>	<b>1,048</b>	<b>2,038</b>	<b>556</b>	<b>470</b>	<b>347</b>	<b>1,019</b>	<b>1,924</b>
<b>RSF Items</b>										
14 Total NSFR high quality liquid assets (HQLA)	106	-	-	430	22	118	-	-	402	20
15 Deposits held at other financial institutions for operational purposes	7	-	-	-	3	3	-	-	-	1
16 Performing loans and securities: (17+18+19+21+23)	-	409	358	1,200	1,122	-	510	302	945	1,144
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	52	17	-	16	-	36	33	3	54



# Notes to the financial statements

For the year ended March 31, 2025

(Amounts in ₹ crores, unless otherwise stated)

Particulars	Quarter ended September 30, 2023					Quarter ended June 30, 2023				
	Unweighted Value by residual maturity					Unweighted Value by residual maturity				
	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value	No Maturity	less than 6 Months	6 Months to 1 year	More Than 1 year	Weighted Value
19 Performing loans to nonfinancial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	326	313	1,056	1,003	-	435	235	829	1,062
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-	-	-	-	-	-
21 Performing residential mortgages, of which:	-	-	-	144	93	-	-	-	106	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	144	93	-	-	-	106	69
23 Securities that are not in default and do not qualify as HQLA, including exchange traded equities	-	32	27	-	9	-	38	34	7	28
24 Other assets: (sum of rows 25 to 29)	-	-	-	194	194	-	-	-	112	112
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-	-	-	-	-	-
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction margin posted	-	-	-	-	-	-	-	-	-	-
29 All other assets not included in the above categories	-	-	-	194	194	-	-	-	112	112
30 Off-balance sheet item	-	3	-	-	0	-	3	-	-	0
31 Total RSF (14+15+16+24+30)	113	412	358	1,824	1,341	121	512	302	1,459	1,278
32 Net Stable Funding Ratio (%)	546%	107%	123%	57%	152%	459%	92%	115%	70%	151%

Since the bank is a standalone entity consolidated NSFR is not applicable

## 18.4 Investments

### a) Composition of Investment Portfolio As at March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)

	Investments in India						Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (Purchase of agriculture loan portfolio through securitization)	Government securities	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity *											
Gross	55,40,883	-	-	-	-	-	-	-	-	-	55,40,883
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
Net	55,40,883	-	-	-	-	-	-	-	-	-	55,40,883
Available for Sale											
Gross	8,04,407	-	-	-	-	-	-	-	-	-	8,04,407
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
Net	8,04,407	-	-	-	-	-	-	-	-	-	8,04,407
Held for Trading											
Gross	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-
Total Investments	63,45,290	-	-	-	-	-	-	-	-	-	63,45,290
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
Net	63,45,290	-	-	-	-	-	-	-	-	-	63,45,290

\* Includes ₹ 59,11,959 thousand pertaining to Government securities and ₹ 4,33,331 thousand pertaining to reverse REPO

**For the year ended March 31, 2025**

	Investments in India							Investments outside India			
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (Purchase of agriculture loan portfolio through securitization)	Total investments in India	Government securities	Subsidiaries and/or joint ventures	Others	Total Investments outside India
<b>Held to Maturity</b>											
<b>Gross *</b>	47,81,569	-	-	-	-	-	47,81,569	-	-	-	47,81,569
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>47,81,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,81,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,81,569</b>
<b>Available for Sale</b>											
<b>Gross</b>	-	-	-	2,472	-	1,72,268	1,74,740	-	-	-	1,74,740
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,472</b>	<b>-</b>	<b>1,72,268</b>	<b>1,74,740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,74,740</b>
<b>Held for Trading</b>											
<b>Gross</b>	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Investments</b>	47,81,569	-	-	2,472	-	1,72,268	49,56,309	-	-	-	49,56,309
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
<b>Net</b>	<b>47,81,569</b>	<b>-</b>	<b>-</b>	<b>2,472</b>	<b>-</b>	<b>1,72,268</b>	<b>49,56,309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,56,309</b>

\* Includes ₹ 43,40,955 thousand pertaining to Government securities and ₹ 4,40,614 thousand pertaining to reverse REPO

## For the year ended March 31, 2025

**b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
i) Movement of provisions held towards depreciation on investments		
(a) Opening balance	-	-
(b) Add: Provisions made during the year	-	-
(c) Less: Write off / write back of excess provisions during the year	-	-
(d) Closing balance	-	-
ii) Movement of Investment Fluctuation Reserve		
(a) Opening balance	19,733	19,733
(b) Add: Amount transferred during the year	-	-
(c) Less: Drawdown	-	-
(d) Closing balance	19,733	19,733
(iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category.	2.45%	11.29%

(c) Sales and Transfer to/from Held to Maturity category

During the year ended 31 March 2025, there have been no sales or transfers to/from the held to maturity (HTM) category exceeding 5% of the book value of the investments held in HTM category at the beginning of the year. However the bank has participated in Open Market operations (OMO) and sold securities amounting to ₹ 86,66,15 thousand (Book Value: ₹ 85,54,35 thousand) which falls under exempt category. Therefore, no additional disclosure is required for the same.

**(d) Non-SLR Investment Portfolio**

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
(i) Non-Performing non-SLR investments		
The Bank does not have any non-performing Non-SLR investment during the year ended March 31, 2025 ( As at 31 March 2024: Nil)		
(a) Opening balance	-	-
Additions during the year	-	-
Reductions during the year	-	-
Closing Balance	-	-
<b>Total Provisions held</b>	<b>-</b>	<b>-</b>



## Notes to the financial statements

For the year ended March 31, 2025

(ii) Issuer composition of non-SLR investments

(Amounts in ₹ thousands, unless otherwise stated)

Sr No.	Issuer	Amount		Extent of Private Placement		Extent of Below investment Securities Grade		Extent of Unrated Securities		Extent of 'Unlisted' Securities	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
(a)	PSUs	-	2,472	-	-	-	-	-	-	-	2,472
(b)	Financial Institutions	-	-	-	-	-	-	-	-	-	-
(c)	Banks	-	-	-	-	-	-	-	-	-	-
(d)	Private Corporates	-	-	-	-	-	-	-	-	-	-
(e)	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
(f)	Others (Purchase of agriculture loan portfolio through securitization)	-	1,72,268	-	-	-	-	-	-	-	1,72,268
(g)	Provision held towards depreciation	-	-	-	-	-	-	-	-	-	-
Total		-	1,74,740	-	-	-	-	-	-	-	1,74,740

### (e) Repo Transactions

Details of repo/reverse repo deals (in face value terms) entered during the year ended March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)

	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as to 31st March 2025	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold Under REPO								
a) Government Securities	10,000	9,800	10,40,000	10,44,273	2,72,027	2,72,062	9,28,900	9,50,609
b) Corporate debt Securities	-	-	-	-	-	-	-	-
c) Any Other Securities	-	-	-	-	-	-	-	-
ii) Securities purchased Under Reverse REPO								
a) Government Securities	50,000	50,464	17,85,400	18,51,993	5,07,818	5,18,647	4,20,000	4,33,331
b) Corporate debt Securities	-	-	-	-	-	-	-	-
c) Any Other Securities	-	-	-	-	-	-	-	-

\*FV: Fair Value

\*MV: Market Value

## Notes to the financial statements

For the year ended March 31, 2025

Details of repo/reverse repo deals (in face value terms) entered during the year ended March 31, 2024

(Amounts in ₹ thousands, unless otherwise stated)

	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year*		Outstanding as to 31st March 2024	
	FV	MV	FV	MV	FV	MV	FV	MV
i) Securities sold Under REPO								
a) Government Securities	10,000	10,171	10,20,000	10,18,456	3,54,107	3,54,107	3,48,780	3,49,084
b) Corporate debt Securities	-	-	-	-				
c) Any Other Securities	-	-	-	-				
ii) Securities purchased Under Reverse REPO								
a) Government Securities	50,000	51,681	10,00,000	10,35,697	2,12,094	2,12,094	4,45,300	4,40,614
b) Corporate debt Securities	-	-	-	-				
c) Any Other Securities	-	-	-	-				

### (f) Government Security Lending (GSL) transactions (in market value terms)

Bank has not undertaken any Over-the-Counter market transaction during the year ended March 2025 (previous year: nil)

### 18.5 Asset Quality

#### a) Classification of advances and provisions held

For the year ended March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	2,07,77,455	1,65,646	2,34,508	26,935	4,27,089	2,12,04,544
Add: Additions During the year					6,37,602	6,37,602
Less: Reductions During the year					2,63,425	2,63,425
Closing Balance	2,89,03,139	6,42,541	1,32,486	26,238	8,01,265	2,97,04,404
*Reductions in NPAs Due to:						
(i) Upgradation					20,790	20,790
(ii) Recoveries (excluding recoveries from upgraded accounts)					1,28,285	1,28,285
(iii) Technical/Prudential Write-offs					1,01,746	-
(iv) Write-offs other than those under (iii) above					12,605	12,605
Provisions (excluding Floating provisions)						
Opening Balance of Provisions held	69,962	36,487	1,87,328	26,935	2,50,750	3,20,712
Add: fresh Provisions made during the year					2,15,816	2,15,816
less: Excess provisions reversed/write-off loans					1,07,761	1,07,761

## Notes to the financial statements

For the year ended March 31, 2025

	(Amounts in ₹ thousands, unless otherwise stated)					Total
	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Closing balance of provisions held	92,487	2,21,737	1,10,834	26,238	3,58,805	4,51,296
Net NPAs						
Opening Balance	-	1,29,159	47,180	-	1,76,338	-
Add: Fresh additions during the year						
Less: Reductions during the year						
Closing Balance	-	4,20,804	21,652	-	4,42,460	-
Floating Provision						
Opening Balance	-	-	-	-	-	-
Add: Additional provisions made during the year						
Less: Amount Drawn down during the year						
Closing Balance	-	-	-	-	-	-
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						49,840
Add: Technical/ Prudential write-offs during the year						1,01,746
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						22,859
Closing Balance						1,28,727

Ratios	As at March 31, 2025	As at March 31, 2024
Gross NPA to Gross Advances	2.70%	2.01%
Net NPA to Net Advances	1.51%	0.84%
Provision coverage ratio (including Technical Write off)	52.42%	63.03%

## Notes to the financial statements

For the year ended March 31, 2025

For the year ended March 31, 2024

	(Amounts in ₹ thousands, unless otherwise stated)					Total
	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	1,39,10,684	1,41,737	1,62,675	22,926	3,27,338	1,42,38,022
Add: Additions During the year					1,65,496	1,65,496
Less: Reductions During the year					65,745	65,745
Closing Balance	2,07,77,455	1,65,646	2,34,508	26,935	4,27,089	2,12,04,544
*Reductions in NPAs Due to:						
(i) Upgradation					14,129	14,129
(ii) Recoveries (excluding recoveries from upgraded accounts)					40,691	40,691
(iii) Technical/Prudential Write-offs						
(iv) Write-offs other than those under (iii) above					10,925	10,925
Provisions (excluding Floating provisions)						
Opening Balance of Provisions held	48,328	30,020	1,11,369	22,926	1,64,312	2,12,643
Add: fresh Provisions made during the year					97,364	97,364
less: Excess provisions reversed/write-off loans					10,925	10,925
Closing balance of provisions held	69,962	36,487	1,87,328	26,935	2,50,750	3,20,712
Net NPAs						-
Opening Balance	-	1,11,717	51,306	-	1,63,026	-
Add: Fresh additions during the year		-			68,132	-
Less: Reductions during the year		-			54,820	-
Closing Balance	-	1,29,159	47,180	-	1,76,338	-
Floating Provision	-	-	-	-	-	-
Opening Balance	-	-	-	-	-	-
Add: Additional provisions made during the year	-	-	-	-	-	-
Less: Amount Drawn down during the year	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts	-	-	-	-	-	54,539
Add: Technical/ Prudential write-offs during the year	-	-	-	-	-	-
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	-	-	-	-	-	4,699
Closing Balance						49,840



# Notes to the financial statements

For the year ended March 31, 2025

Ratios	As at March 31, 2024	As at March 31, 2023
Gross NPA to Gross Advances	2.01%	2.30%
Net NPA to Net Advances	0.84%	1.16%
Provision coverage ratio (including Technical Write off)	63.03%	57.37%

b) Sector-wise Advances and Gross NPAs

(Amounts in ₹ thousands, unless otherwise stated)

Sr No.	Sector	As at 31st March 2025			As at 31st March 2024		
		Outstanding Total Advances	Gross NPA's	Percentage of Gross NPA's to Total Advances in that sector	Outstanding Total Advances	Gross NPA's	Percentage of Gross NPA's to Total Advances in that sector
(I)	<b>Priority Sector</b>						
(a)	Agriculture and allied activities	55,47,662	2,47,947	4.5%	44,22,422	59,939	1.4%
(b)	Advances to industries sector eligible as priority sector lending	31,51,687	11,843	0.4%	22,46,794	2,432	0.1%
(c)	Services	78,25,293	1,59,537	2.0%	42,59,473	37,647	0.9%
(d)	Personal Loans	17,31,791	2,07,078	12.0%	22,75,868	1,50,779	6.6%
	<b>Subtotal (i)</b>	<b>1,82,56,433</b>	<b>6,26,405</b>		<b>1,32,04,557</b>	<b>2,50,797</b>	
(II)	<b>Non-Priority Sector</b>						
(a)	Agriculture and allied activities	-	-	0.0%	-	-	-
(b)	Advances to industries sector	-	-	0.0%	-	-	0.0%
(c)	Services	-	-	0.0%	-	-	0.0%
(d)	Personal Loans	81,30,358	1,69,256	2.1%	51,92,800	1,56,532	3.0%
(e)	Gold loans	33,17,613	5,604	0.2%	28,07,186	19,760	0.7%
	<b>Subtotal (ii)</b>	<b>1,14,47,971</b>	<b>1,74,860</b>		<b>79,99,986</b>	<b>1,76,292</b>	
	<b>Grand Total</b>	<b>2,97,04,404</b>	<b>8,01,265</b>		<b>2,12,04,543</b>	<b>4,27,089</b>	

c) Overseas assets, NPAs and revenue

(Amounts in ₹ thousands, unless otherwise stated)

	For the year ended March 31, 2025	As at March 31, 2024
Total Assets	-	-
Total NPAs	-	-
Total Revenue	-	-

# Notes to the financial statements

For the year ended March 31, 2025

(d) Particulars of resolution plan and restructuring

During the year ended 31 March 2025 no restructuring has been done. (Previous year: no restructuring has been done)

(e) Divergence in asset classification and provisioning

RBI vide its Master Direction Ref. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 and various amendments thereto (latest updated on February 20, 2023), has directed banks to make suitable disclosures, if either or both of the following conditions are satisfied:

- (a) the additional provisioning for NPAs assessed by RBI as part of its supervisory process, exceeds 10% of the reported profit before provisions and contingencies for the reference period, and
- (b) the additional Gross NPAs identified by RBI as part of its supervisory process, exceed 10% of the reported incremental Gross NPAs for the reference period

The Bank was subjected to Annual Financial Inspection (AFI) by the RBI during the financial year 2024-25 and the Inspection and Risk Assessment Report (IRAR) as of March 2022, March 2023 and March 2024 respectively were issued by RBI. No divergence in the asset classification and provisioning was identified and reported in IRAR.

(f) Disclosure of transfer of loan exposures

During the year ended 31st March 2025, Bank has not transferred or acquired any stressed loan exposure (previous year: Nil)

The Bank has purchased homogeneous assets from NBFCs/ HFCs/ MFIs which are not in default under Direct Assignment Route covered under Transfer of Loan Exposure.

Details of loans-not-in-default acquired during the financial year through direct assignment are given below

Particulars	March 31, 2025	March 31, 2024
Aggregate amount of loans acquired (in crore)	116.85	124.15
Weighted average residual maturity (in years)	1.33	0.98
Weighted average holding period by originator (in years)*	0.43	0.67
Retention of beneficial economic interest by the originator	10%	10%
Tangible security coverage	NA	NA

Rating for the loans is not available since they are not corporate loans

\*gross seasoning (in years)

The bank has not transferred any loan exposure for the year ended March 31, 2025 (previous year : Nil).

(g) Fraud Accounts

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	March 31, 2025	March 31, 2024
Number of frauds reported	71	29
Amount involved in fraud	9,334	2,734
Amount of provision made for such frauds*	40	-
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	-	-

# Notes to the financial statements

For the year ended March 31, 2025

**Notes:**

- i. During the current year, 65 instances of digital Payment fraud were filed by the bank (previous year: 24). As the bank has no liability for the same, accordingly, no provision for it has been provided in the financial statements.
- ii. During the current year, 5 cases of spurious gold loan & 1 case of Mis-appropriation of funds & criminal breach of trust were reported by the bank. However all such cases has been closed after full recovery except 1 case of spurious Gold loan and provision of the ₹ 39,835 is made for the same.

**18.6**

**(a) Exposure to real estate sector**

(Amounts in ₹ thousands, unless otherwise stated)

Category	As at March 31, 2025	As at March 31, 2024
<b>(i) Direct Exposure</b>		
(a) Residential Mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	22,64,711	12,81,710
Individual housing loan priority sector non fund based limits		
(b) Commercial Real Estate		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	1,56,285	1,97,270
Exposure would also include non-fund based (NFB) limits;	-	-
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures: On fund based limits:		
(i) Residential	-	-
(ii) Commercial real Estate	-	-
<b>(ii) Indirect Exposure</b>		
Total exposure to real estate	-	-
<b>(a) Exposure to Capital markets</b>		
The Bank does not have any exposure to capital markets as at 31st March 2025		
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

# Notes to the financial statements

For the year ended March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)

Category	As at March 31, 2025	As at March 31, 2024
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading;	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total exposure to capital market	-	-

**(c) Risk category-wise country exposure**

The Bank is operating in the various states in the country and does not have any branches outside India. Hence, the Bank does not have any country risk exposure. (previous year : Nil)

**(d) Unsecured Advances**

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Total unsecured advances of the bank	29,11,163	46,02,910
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

**(e) Factoring exposures**

The bank has no factoring exposure as on 31st March 2025.(Previous year: Nil)

**(f) Intra-group exposures**

The bank has no Intra-Group exposure as on 31st March 2025.(Previous year: Nil)

**(g) Unhedged foreign currency exposure**

The bank has no Unhedged foreign currency exposure as on 31st March 2025.(Previous year: Nil)

**(h) Single Borrower and Group Borrower exposure limits exceeded by the Bank:**

The Bank has not exceeded the single borrower exposure & Group Borrower exposure prudential limits as prescribed by RBI (Previous year: Nil)



## Notes to the financial statements

For the year ended March 31, 2025

### 18.7 Concentration of deposits, advances, exposures and NPAs

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(a) Concentration of deposits</b>		
Total Deposits of the twenty largest depositors	41,98,728	33,80,085
Percentage of deposits of twenty largest depositors to total deposits of the bank	13.28%	14.00%
<b>(b) Concentration of Advances</b>		
Total Advances of the twenty largest borrowers	28,71,785	15,43,039
Percentage of Advances of twenty largest borrowers to total advances of the bank	9.67%	7.28%
<b>(c) Concentration of Exposures</b>		
Total Exposure to the twenty largest customers	28,71,785	15,43,039
Percentage of Exposures of twenty largest customers to total exposure of the bank on customers	9.67%	7.28%
<b>(d) Concentration of NPAs</b>		
Total Exposure of the twenty NPA accounts	1,03,983	99,748
Percentage of Exposures of twenty largest NPA exposure to total Gross NPAs	12.98%	23.36%

\*The above information has been compiled based on customer ID the joint accounts of individuals, partnership firms and LLP are considered as separate for the purpose of above disclosure.

#### 18.7.1 Derivatives

(a) The Bank has not undertaken any derivative business during the year ended March 31, 2025.(Previous year: Nil)

#### (b) Credit Default Swaps

The Bank has not entered into any Credit Default Swaps (CDS) during the year ended March 31, 2025.(Previous year: Nil)

#### 18.7.2 Disclosures relating to securitisation

The Bank has not originated any financial asset to Securitization/ Reconstruction Company for Asset Reconstruction during the year ended March 31, 2025 and in the (previous year: Nil).

### 18.8 Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Bank does not hold any sponsored off-balance sheet SPVs during the year ended March 31, 2025 (Previous year: Nil)

### 18.9 Transfers to Depositor Education and Awareness Fund (DEA Fund)

Sr No.	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Opening balance of amounts transferred to DEA Fund	16,337	15,748
(ii)	Add: Amounts transferred to DEA Fund during the year	3,292	833
(iii)	Less: Amounts reimbursed by DEA Fund towards claims	867	244
(iv)	Closing balance of amounts transferred to DEA Fund	18,762	16,337

The closing balance of the amount transferred to DEA Fund, as disclosed above, is also included under Schedule 12 - Contingent Liabilities.

## Notes to the financial statements

For the year ended March 31, 2025

### 18.10 Disclosures of Complaints

	As at March 31, 2025	As at March 31, 2024
<b>(a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman</b>		
Complaints received by the bank from its customers		
1 Number of complaints pending at beginning of the year	-	-
2 Number of complaints received during the year	1986	341
3 Number of complaints disposed during the year	1956	341
3 Of which, number of complaints rejected by the Bank	849	159
4 Number of complaints pending at the end of the year	30	-
Maintainable complaints received by the bank from Office of Ombudsman		
5 Number of maintainable complaints received by the bank from Office of Ombudsman	42	24
5.1 Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	34	-
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	2	24
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	-	
6 Number of Awards unimplemented within the stipulated time (other than those appealed)	-	

#### (b) Top Five Grounds of complaints received by bank from customers

For the year ended March 31,2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loans and advances	-	638	419%	16	-
Internet/Mobile/Electronic Banking	-	589	952%	4	-
ATM / Debit Cards	-	238	1883%	6	-
Levy of charges without prior notice/ excessive charges/foreclosure charges	-	43	153%	1	-
Account opening/difficulty in operation of accounts	-	32	191%	1	-
Others	-	446	266%	2	-
<b>Total</b>	<b>-</b>	<b>1,986</b>	<b>482%</b>	<b>30</b>	<b>-</b>

# Notes to the financial statements

For the year ended March 31, 2025

For the year ended March 31,2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Loans and advances	-	123	173.33%	-	-
Internet/Mobile/Electronic Banking	-	56	211.11%	-	-
Levy of charges without prior notice/ excessive charges/foreclosure charges	-	17	13.33%	-	-
ATM / Debit Cards	-	12	33.33%	-	-
Account opening/difficulty in operation of accounts	-	11	83.33%	-	-
Others	-	122	306.67%	-	-
<b>Total</b>	<b>-</b>	<b>341</b>	<b>177%</b>	<b>-</b>	<b>-</b>

**(c) Disclosure of “First Resort Complaints received, and action taken” in terms of Policy related Action**

Point in Annual Conference of the RBI Ombudsmen's October 2022

Under clause 10 of the Reserve Bank Integrated Ombudsman Scheme-2021 (RB-IOS), the complaints not related to deficiency of service rejected by Banking Ombudsman as non-maintainable advising the complainants to approach the concerned Regulated Entity directly are called as First Resort Complaints:

During the financial year 2024-25, a total of 19 First Resort Complaints (FRCs) were received by RB-Ios (previous year: 9)

**To ensure reduction in First Resort Complaints (FRCs), the Bank has taken initiatives as under:**

1. The salient features of RB-IO Scheme have been displayed at all the branches and Bank's website.
2. Grievance redresal mechanism with the escalation matrix of the bank is displayed on the Bank website as well as branches for customer information

**18.11 Disclosures of Penalties imposed by Reserve Bank of India**

- (i) During the year ended 31st March 2025, no penalty has been levied on the Bank by the Reserve Bank of India (RBI) in

exercise of the powers vested under the provisions of Section 47A(1)(c) read with Sections 46(4)(i) and 51(1) of the Banking Regulation Act, 1949. (previous year: nil)

- (ii) During the year ended March 31, 2025, RBI has imposed a penalty of ₹ 50 thousand on first instance of bouncing of Subsidiary General Ledger which led to shortage of balance in certain securities in the Bank's Constituent Subsidiary General Ledger account. (previous year: nil)

- (iii) There is no default in reverse repo transaction.(previous year: nil)

**18.12 Disclosure on Remuneration**

**(i) Qualitative Disclosure**

The Nomination and Remuneration Committee consist of the following members:

- 1 Dr. Shalini Lal, Chairperson (Non-executive Independent Director)
- 2 Ms. Veena Hingarh, Member (Non-executive Independent Director)
- 3 Mr. Dinesh Kumar Mittal, Member (Non-executive Director)

# Notes to the financial statements

For the year ended March 31, 2025

**(a) The Bank has constituted Nomination and Remuneration Committee (NRC) for overseeing and governing the compensation polices of the Bank. The committee oversees the framing, review and implementation of compensation policy of the Bank on behalf of the Board for Managing Director & Chief Executive Offer, Whole Time Directors & Material Risk Takers and their terms of reference include:**

- 1 Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, Material Risk Takers and other employees.
- 2 Formulate criteria for evaluation of performance of individual directors including independent directors, the Board of Directors and its Committees. The criteria for evaluation of performance of directors (including independent directors) include personal attributes such as attendance at meetings, communication skills, leadership skills and adaptability and professional attributes such as understanding of the Bank's core business and strategic objectives, industry knowledge, independent judgment, adherence to the Bank's Code of Conduct, Ethics and Values, etc.
- 3 Further the NRC would also determine the fixed pay, variable pay and Employee Stock Options for Whole time Directors, Material Risk Takers and Key Management Personnel of the bank.
- 4 To identify persons who are qualified to become directors and who may be appointed as key officials in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 5 To decide on the extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors, to deliberate on the matters of succession planning of directors, Key Management Personel and employees appointed in a CXO role of the Bank.
- 6 To recommend to the board all remuneration, in whatever form, payable to WTDs' and KMPs' of the Bank.
- 7 To review and discuss details pertaining to key officials and will conduct evaluation of candidates in accordance

with a process that it sees fit and proper, passing on the recommendations for the nomination to the Board.

**(b) The design and structure of remuneration processes and the key features and objectives of remuneration policy**

The Compensation policy seeks to document the practices and procedures to be followed by the Bank for remuneration of Directors, Risk & Control personnel, Material Risk Takers (MRTs), and all other employees.

The key objectives of Bank's Compensation Policy are:

- 1 To maintain fair, consistent, and equitable compensation practices in alignment with Bank's core values and strategic business goals.
- 2 To ensure effective governance of compensation and alignment of compensation practices with prudent risk taking.
- 3 To have mechanisms in place for effective supervisory oversight and Board engagement in compensation .
- 4 To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate talent.
- 5 To ensure that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.

**(c) The ways in which current and future risks are taken into account in the remuneration processes including the nature and type of the key measures used to take account of these risks.**

The Bank's Board of Directors will actively oversee the compensation system's design and operations

The Nomination and Remuneration Committee of the Board (NRC) will oversee the framing, review and implementation of compensation policy of the bank on behalf of the Board. The NRC will work in close coordination with Risk Management Committee (RMC) of the Bank, to achieve effective alignment between compensation and risks.

The NRC will approve and monitor that:

- 1 Compensation is adjusted for all types of risks.



# Notes to the financial statements

For the year ended March 31, 2025

- 2
Compensation outcomes are symmetric with risk outcomes.
3
Compensation pay-outs are sensitive to the time horizon of the risks.
4
The mix of cash, equity and other forms of compensation are consistent with risk alignment.
5
The cost/income ratio of the bank supports the compensation package consistent with maintenance of sound capital adequacy ratio
6
The staff engaged in financial and risk control will be independent, have appropriate authority and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank
7
All components of remuneration for WTDs, EDs, and MD & CEO, will be recommended by NRC and approved by the Board and the same will be subject to approval of shareholders of the Bank and RBI. This remuneration should remain within the overall limit as per Section 197 of the Companies Act, 2013 and rules framed thereunder.
8
The remuneration of all employees including Control functions other than MD & CEO, Executive Director and MRT will be determined by Chief Human Resources Officer (CHRO)/ Head HR in consultation with MD & CEO of the Bank within the overall framework of this policy
9
Any annual increments will be linked to the overall performance and other factors as may be decided by the NRC. The NRC will also consider and take into account regulatory penalties and Show Cause Notices.
10
The Compensation and Benefits unit within the Human Resources function will administer the compensation policy by following rules and processes that are objective and transparent

(ii) Bank uses a combination of financial and non-financial measures to assess employee performance and adapt the measurement to each employee's specific situation. Qualitative factors (like knowledge, skills or abilities) might play an important role when it comes to judging and rewarding some activities- particularly when these serve to reinforce the bank's risk management goals.

(e) Bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting

1 Remuneration
1.1 The compensation will be a mix of Fixed Pay and Performance or Variable Pay. Bank will ensure that there is a proper balance between fixed pay and variable pay. Substantial proportion of compensation i.e., variable pay should be at least 50% for arriving at the total compensation for the year. Performance pay will be at capped at 300% of fixed pay for the corresponding financial (performance) year. Any actual total performance pay for a given year will be divided into cash component and share linked instruments such that at least 50% of actual performance pay is in the form of share linked instrument in case actual performance pay is up to 200% of fixed pay; and at least 67% of actual performance pay is in the form of share linked instrument in case actual performance pay is above 200% of fixed pay and at least 60% of actual performance pay shall be subject to deferral arrangements. If cash component is part of total performance pay, at least 50% of the cash component of performance pay will be subject to deferral arrangements.
2 Deferral of Cash Component of Variable Pay
2.1 In case the Cash Component of actual variable pay is more than ₹ 25 Lacs, 50% of Cash Component shall be deferred for a period of at least 3 years.
2.2 The vesting of the deferred components shall not be faster than on a pro-rata basis. Additionally, vesting shall not take place more frequently than on a yearly basis to enable proper assessment of risks before application of any ex-post adjustment.
2.3 Vesting of the deferred component shall be subject to continuity of employment with the organization. In case an employee resigns during the vesting period, unvested component will be forfeited.

(d) (i) Performance measures and their relation to remuneration packages is clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism. The usual annual determination of bonus is based on rules, processes and objectives known in advance, recognizing that some discretion will always be needed.

# Notes to the financial statements

For the year ended March 31, 2025

- 2.4 In case an employee retires during the vesting period, any unvested Cash Component will be treated as fully vested.
2.5 In case the Cash Component of actual variable pay is up to ₹ 25 Lacs, deferral of the Cash Component is not mandatory
- (f) The different forms of variable remuneration that the bank utilizes and the rationale for using these different forms
1 Performance or Variable Pay (PP):
1.1 Performance pay can be in the form of cash or share-linked instruments, or a mix of both cash and share-linked instruments. Only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the entire performance pay can be in cash.
1.2 Performance Pay is linked to assessment of performance and potential. This would be based on Key Performance Indicators (KPIs) and achievement of targets with overall linkage to Bank Budgets and business/functional targets/objectives. Depending on the nature of the business/function, the risk involved, the time horizon for review of quality and longevity of the assignments performed, various forms of performance pay may be applicable
1.3 Performance pay is discretionary in nature and not guaranteed, nor is it an entitlement. Actual total performance pay granted in any year will be determined based on Bank, business unit and individual performance and other evaluation criteria. Based on evaluation on such criteria, actual total pay could be lower than target total pay or could even be zero.
1.4 The Bank will have a robust policy around performance management which has a direct bearing on performance pay. The organization may apply the malus model through the performance management framework. In the event of significant negative contributions of the bank and/ or the relevant line of business in any year, the deferred compensation (if any) would be subjected to clawback arrangement.
- 1.5 The components of performance pay are outlined as below:
(a) I. Cash Incentive: At intervals ranging from Monthly, Quarterly, Annually II. Annual Incentive: Mix of cash and share linked incentive. Based on categories of employees, requirements for mandatory deferment of performance pay will be outlined as required. In case the Cash Component of actual variable pay is more than ₹ 25 Lacs, 50% of Cash Component shall be deferred for a period of at least 3 years. However, in case the Cash Component of actual variable pay is up to ₹ 25 Lacs, deferral of the Cash Component is not mandatory
- 2 Share Linked Instruments
2.1 The share linked component of performance pay shall be delivered through the Employee Stock Options (ESOP) scheme(s) of the Bank and as approved and amended by the NRC of the Bank from time to time. Cash-linked Stock Appreciation Rights (CSARs) will also be part of the ESOP scheme. The ESOP Scheme shall be in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 and / or any other applicable regulations.
2.2 ESOP grants are not an entitlement and shall be granted on a discretionary and reasonable basis to employees based on their performance, competency, position (grade/ level) and potential, to motivate employees and create shareholder value by aligning interest of employees with long term interests of the bank.
2.3 ESOPs shall also be granted from time to time with the objective of retaining employees
- 3 Vesting
The vesting of share linked instruments shall be for over a period as stated in the ESOP scheme of the bank. The share linked instruments shall be valued using fair value as on the date of grant basis Black-Scholes model. In case of separation from the bank for any reason the guidelines of the ESOP scheme of the bank will be applicable.

## Notes to the financial statements

For the year ended March 31, 2025

**(ii) Quantitative Disclosures**

(Amounts in ₹ thousands, unless otherwise stated)					
			As at March 31, 2025	As at March 31, 2024	
(g)	(i)	Number of meetings held by the Nomination and Remuneration Committee during the financial year.	Nos	5	4
	(ii)	sitting fees paid to its members	₹/000	750	680
(h)	(i)	Number of employees having received a variable remuneration award during the financial year.	Nos	485	452
	(ii)	During the year total amount of sign-on/joining bonus made to - employees.	₹/'000	1,550	2,712
	(iii)	Details of severance pay, in addition to accrued benefits, if any		-	-
(i)	(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	₹/'000	7,622	4,083
	(ii)	Total amount of deferred remuneration paid out in the financial year		-	-
(j)		Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and nondeferred.		-	-
(k)	(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.		-	-
	(ii)	Total amount of reductions during the financial year due to ex post explicit adjustments.		-	-
(l)		Number of MRTs identified :	Nos	2	2
(m)	(i)	Number of cases where malus has been exercised.		-	-
	(ii)	Number of cases where clawback has been exercised		-	-
	(iii)	Number of cases where both malus and clawback have been exercised.		-	-
(n)	(i)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.	₹/'000	788	746
	(ii)	Deviation in the fixed Pay for Mr. Anshul Swami, Managing Director and Chief Executive Officer from the mean pay is 11.61 times respectively.(Previous year: 12.40 times)			

**(o) Disclosure on remuneration paid to the non-executive directors**

(Amounts in ₹ thousands, unless otherwise stated)				
Sr No	Name	Designation	As at March 31, 2025	Year ended March 31, 2024
i*	Dr. Shalini Lal	Non-Executive Independent Director	800	665
ii	Mr. Malay Mukherjee	Non-Executive Independent Director	1,400	1,315
iii	Mr. Shankar Aggarwal	Non-Executive Independent Director and Part time chairman	1,250	715
iv	Mr. K Narasimha Murthy	Non-Executive Independent Director	-	1,465

## Notes to the financial statements

For the year ended March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)				
Sr No	Name	Designation	As at March 31, 2025	Year ended March 31, 2024
v	Ms. Arundhati Mech	Non-Executive Independent Director	1,050	985
vi	Ms. Veena Hingarh	Non-Executive Independent Director	1,100	1,195
vii	Mr. Arun Kumar Gupta	Non-Executive Independent Director	-	215
viii	Mr. D K Mittal	Non-Executive Director	1,950	300
ix	Mr. O P Singh	Non-Executive Independent Director	400	270
x	Mr. Dinesh Singhal	Non-Executive Independent Director	50	-
Total			8,000	7,125

\*Note - Out of the total remuneration of ₹ 800 thousand paid, an amount of ₹ 50 thousand was paid to an Independent Director towards consultancy services rendered in a professional capacity.

**18.13**

**(a) Business ratios**

(Amounts in ₹ thousands, unless otherwise stated)		
	As at March 31, 2025	As at March 31, 2024
Interest Income as a percentage to Working Funds <sup>1</sup>	10.96%	11.10%
Non-interest income as a percentage to Working Funds <sup>2</sup>	1.41%	1.13%
Cost of Deposits <sup>3</sup>	6.91%	6.24%
Net Interest Margin <sup>4</sup>	5.46%	5.95%
Operating Profit as a percentage to Working Funds <sup>5</sup>	0.61%	0.73%
Return on Assets <sup>6</sup>	0.03%	0.09%
Business per employee <sup>7</sup>	68,199	59,721
Profit per employee <sup>8</sup>	11	34

Notes :

- Working funds is reckoned as average of total assets as reported to Reserve Bank of India in ALE monthly.
- Non interest income consists of income earned via commission brokerage charges and exchange transactions.
- Cost of Deposits is the ratio of interest expense on deposits to daily average of total deposits.
- Net Interest Income/ Average Earning Assets. Where net interest income= interest Income – interest expense and Average assets = average of earning assets.
- Operating profit is profit for the year before provisions and contingencies and profit / (loss) on sale of building and other fixed assets (net).
- Return on assets is calculated using the formula : Net income/Working Funds
- Business is reckoned as average of deposits(net of interbank) and net advances for the year.
- Profit per employee is calculated using average number of employees during the period.



## Notes to the financial statements

For the year ended March 31, 2025

### (b) Bancassurance business

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
<b>Fees/Remuneration Received</b>		
1 Life Insurance Business	68,476	44,128
2 General Insurance Business	5,020	5,175
3 Health Insurance	2,649	2,649
4 Other ancilliary services	-	8,490
<b>Total</b>	<b>76,145</b>	<b>60,442</b>

### (c) Marketing and distribution

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Fees/Remuneration Received	4,480	2,000
	<b>4,480</b>	<b>2,000</b>

### (d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Bank has not traded in any Priority Sector Lending Certificates (PSLCs) during the year ended 31st March 2025.(Previous year: Nil).

### (e) Provisions and contingencies

(Amounts in ₹ thousands, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Provision debited to profit and loss account</b>		
(i) Provisions for NPI	-	-
(ii) Provisions for NPA*	1,76,021	1,32,414
(iii) Provision for Standard Assets	22,525	21,634
(iv) Provision for Deferred Tax	(31,772)	(30,632)
(v) Provision for investment	-	-
(vi) Provision for income tax (including adjustment of previous year excess tax provision)	32,925	38,163
<b>Total</b>	<b>1,99,699</b>	<b>1,61,579</b>

\*Includes bad debts written of amounting to ₹ 5,220 thousand (previous year: ₹ 35,050 thousand)

### (f) Implementation of IFRS converged Indian Accounting Standards (IndAS)

"IND AS roadmap for scheduled commercial banks (excluding regional rural banks), insurers/insurance companies and nonbanking financial companies (NBFCs) was issued by Union Ministry of Corporate Affairs (MCA) through press release dated 18 January 2016. IND AS was applicable to the Bank in accordance with the MCA press release from financial year 2018-19 which was deferred to financial year 2019-20 vide RBI's Press Release (2017-18/2642) dated 5 April 2018. RBI has further deferred implementation of IND AS till further notice vide its Circular no DBR.BPBC.No. 29/21.07.001/2018- 19 dated 22.03.2019. The Bank accordingly, has appointed a Consultant to assist in implementation of the Ind AS. The Audit Committee of the Board is being apprised of the progress made from time to time. The Bank has a well-planned strategy for Ind AS implementation and has made substantial progress in this regard. Further, Bank is submitting the Proforma Ind AS Financial Statements to the RBI as per prescribed periodicity."

## Notes to the financial statements

For the year ended March 31, 2025

### (g) Payment of DICGC Insurance Premium

(Amounts in ₹ thousands, unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
(i) Payment of DICGC Insurance Premium	29,835	23,891
(ii) Arrears in payment of DICGC premium	-	-

### 18.14 Other Disclosures with respect to certain Accounting Standards

#### (a) Accounting Standard 5: Net Profit or Loss for the period, Prior Period Items and Change in Accounting Policy

During the Current year there were no material prior period income/expenditure items requiring disclosure under Accounting Standard 5. The financial statements for the year ended March 31, 2025 have been prepared following the same Accounting Policies and practices as those followed in the annual financial statements for the year ended March 31, 2024.

#### (b) Accounting Standard 9 - Revenue Recognition

Revenue is booked on accrual basis except certain items of income are recognized on realization basis as per Accounting Policy No. 17.3

#### (C) Accounting Standard 19 - Lease

- (i) Operating lease primarily comprise office premises, which are renewable at the option of the bank normally at the end of every 3rd or 5th year.
- (ii) As per information available, Non-Cancellable lease as on 31.03.2025: 2 (Noida H.O and National Operating Centre)  
As per information available, Non-Cancellable lease as on 31.03.2024: 1 (Noida H.O)

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than 1 year	24,190	20,359
Later than 1 year and not later than 5 years	78,941	75,711
Later than 5 years	-	-
<b>Total</b>	<b>1,03,131</b>	<b>96,070</b>

- (iii) Amount of lease payment recognized in P & L Account for operating lease is as under.

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Number of lease/rented premisses	No's 47	45
Amount of Rent	Amount 76,586	62,200

- (iv) The bank has 44 Bank Branches, 20 Unbanked Rural Center (URC) managed by BC, 15 BCBO managed by BC

## Notes to the financial statements

For the year ended March 31, 2025

### (d) Accounting Standard 20 - Earnings per Share

(Amounts in ₹ thousands, unless otherwise stated)

Particulars		As at March 31, 2025	As at March 31, 2024
(A) EPS - Basic	₹	0.07	0.22
(B) EPS - Diluted*	₹	0.07	0.21
<b>(C) Amount used as numerator Profit/ (Loss) after tax :Basic</b>	<b>₹/'000'</b>	<b>9,428</b>	<b>23,954</b>
i Add: Effect of dilution- Stock option granted to employees	₹/'000'	-	-
ii Add: Effect of dilution- Share Warrants	₹/'000'	-	-
iii Add: Effect of dilution- Compulsory Convertible debentures	₹/'000'	-	-
iv Add: Effect of dilution-Compulsory Convertible Preference shares	₹/'000'	-	-
<b>(D) Amount used as numerator Profit/ (Loss) after tax :Diluted</b>	<b>₹/'000'</b>	<b>9,428</b>	<b>23,954</b>
<b>(E) Nominal value of share</b>	<b>₹</b>	<b>10</b>	<b>10</b>
<b>(F) Weighted average number of equity shares used as the denominator - Basic</b>	<b>No.s/'000'</b>	<b>1,35,995</b>	<b>1,09,304</b>
i Add: Effect of dilution- Stock option granted to employees	No.s/'000'	1,668	1,883
ii Add: Effect of dilution- Share Warrants	No.s/'000'	406	381
iii Add: Effect of dilution- Compulsory Convertible debentures	No.s/'000'	-	-
iv Add: Effect of dilution-Compulsory Convertible Preference shares	No.s/'000'	-	265
<b>(G) Weighted average number of equity shares used as the denominator-Diluted</b>	<b>No.s/'000'</b>	<b>1,38,069</b>	<b>1,11,833</b>

### (e) Accounting Standard 22- Accounting for taxes on Income

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
<b>(a) Deferred Tax Asset</b>		
(i) Provisions	67,404	41,642
(ii) Preliminary Expense under section 35D	1,073	1,608
(iii) Taxable loss (carried forward)	-	-
(iv) Share based payment expense	1,859	4,480
(v) Other Contingencies	569	892
(vi) Depreciation on Fixed Assets	4,745	-
<b>Total</b>	<b>75,650</b>	<b>48,622</b>
<b>(b) Deferred Tax Liabilities</b>		
(i) Depreciation on Fixed Assets	-	5,034
(ii) Special Reserve u/s 36(1)(viii) of Income Tax Act 1961	598	307
(iii) Others	-	-
<b>Total</b>	<b>598</b>	<b>5,341</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>75,052</b>	<b>43,281</b>
<b>(c) Tax paid in advance/ tax deducted at source (net of provision for tax)</b>	<b>18,988</b>	<b>9,216</b>

## Notes to the financial statements

For the year ended March 31, 2025

### Note: Movement of Deferred tax assets

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
(i) Opening deferred tax asset	43,281	12,648
(ii) Closing Deferred tax (liabilities) / assets (net)	75,052	43,281
(iii) Amount for the current year ((i)+(ii)-(iii))	31,771	30,633

### (f) Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements

The bank does not have any subsidiary, associate or joint venture company. Accordingly, "Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements" and "Accounting Standard 27- Financial reporting of interest in joint ventures" does not apply to the bank

### (g) Accounting Standard 24 – Discontinuing operations

During the period from 01.04.2024 to 31.03.2025, the bank has not discontinued operations of any of its branches, which resulted in shedding of liability and realization of assets and no decision has been finalized to discontinue an operation in its entirety which have the above effect.(Previous year: Nil)

### (h) Accounting Standard 26 – Intangible asset

Particulars	Useful Life	Rate of Amortization	Amortization Method
Computer Software	3-10 years	10%	Straight line Method
Trademark	10 years	10%	Straight line Method

(Amounts in ₹ thousands, unless otherwise stated)

Description	As at March 31, 2024	Additions	Disposals/ Adjustments	As at March 31, 2025
Gross block				
Computer Software	4,87,041	3,00,387	-	7,87,428
Trademark	196	-	-	196
	<b>4,87,237</b>	<b>3,00,387</b>	<b>-</b>	<b>7,87,624</b>
Accumulated depreciation				
Computer Software	1,57,003	1,43,256	-	3,00,259
Trademark	90	20	-	110
<b>Total</b>	<b>1,57,093</b>	<b>1,43,276</b>	<b>-</b>	<b>3,00,369</b>
Net block				
Computer Software	3,30,038	1,57,131	-	4,87,169
Trademark	106	-20	-	86
<b>Total</b>	<b>3,30,144</b>	<b>1,57,111</b>	<b>-</b>	<b>4,87,255</b>



## Notes to the financial statements

For the year ended March 31, 2025

For the financial year 2023-24

(Amounts in ₹ thousands, unless otherwise stated)

Description	As at March 31, 2023	Additions	Disposals/ Adjustments	As at March 31, 2024
Gross block				
Computer Software	2,74,793	2,11,168	-	4,85,961
Trademark	196	-	-	196
	<b>2,74,989</b>	<b>2,11,168</b>	<b>-</b>	<b>4,86,157</b>
Accumulated depreciation				
Computer Software	85,318	71,425	-	1,56,743
Trademark	70	21	-	91
<b>Total</b>	<b>85,388</b>	<b>71,446</b>	<b>-</b>	<b>1,56,834</b>
Net block				
Computer Software	1,89,475	1,39,743	-	3,29,218
Trademark	126	-21	-	105
<b>Total</b>	<b>1,89,601</b>	<b>1,39,722</b>	<b>-</b>	<b>3,29,323</b>

(i) **Accounting Standard 28 – Impairment of assets**

In the opinion of the bank, there is no impairment of its assets (to which the standard applies) to any material extent as at 31.03.2025 requiring recognition in terms of “Accounting Standard 28 – Impairment of assets”.(Previous year: Nil)

(j) **Accounting Standard 11 –The Effects of Changes in foreign exchange rates**

The Bank does not have any foreign currency operations for the year ended 31 March 2025.(Previous year: Nil).

(k) **Accounting Standard 15 – Employees Benefits**

(i) The Bank has Defined Contribution Plan applicable to all categories of employees joining the bank. The scheme is managed by LIC of India. The detail of the contribution during the Financial Year 2024-2025 ₹ 8,792 thousands (previous year : ₹ 10,698 thousands)

(ii) In line with the accounting policy and as per the Accounting Standard – 15(R), the summarized position of employment benefits is as under

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Present Value of obligations at beginning of the year	28,086	22,111
Current Service Cost (C)	7,280	6,077
Past Service Cost (D)	-	-
Interest Cost (E)	2,036	1,658
Actuarial (gain)/loss on obligation (F)	714	3,866
Benefit Paid (G)	(5,026)	(3,409)
Benefit paid previous year (H)	-	(2,217)
<b>Present Value of obligations</b>	<b>33,090</b>	<b>28,086</b>

## Notes to the financial statements

For the year ended March 31, 2025

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Present Value of obligation at the end of year	33,090	28,086
Fair Value of Plan Assets at the end of year	29,432	23,740
<b>Net Liability/ (Assets)</b>	<b>3,658</b>	<b>4,346</b>

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Cost	2,036	1,658
Current Service Cost	7,280	6,077
Expected Return on Plan Assets	(1,662)	(1,256)
Benefit paid pertaining to previous year	-	(2,217)
Net Actuarial Gain/Loss recognized during the year	450	3,772
<b>Expenses to be recognised in Profit and Loss account</b>	<b>8,104</b>	<b>8,034</b>

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair Value of assets on beginning of the year	23,740	17,318
Expected return on plan assets	1,662	1,256
Contributions	8,792	10,698
Benefits Paid	(5,026)	(3,409)
Benefits Paid for previous years	-	(2,217)
Actuarial Gain/(Loss) on plan assets	264	94
<b>Fair Value of Plan Assets at the end of year</b>	<b>29,432</b>	<b>23,740</b>

Principal actuarial assumptions used in determining gratuity and Post-employment benefits.	As at March 31, 2025	As at March 31, 2024
Discount Rate (%)	7.00%	7.25%
Salary increase (%)	5%	5%
Mortality Table	IALM 2012-14	IALM 2012-14
Retirement Age	60	60
Average Withdrawal rate	15%	14%

The Bank employee's are not eligible for the long term compensated absences accordingly the assumption of the compensated absences not disclosed

# Notes to the financial statements

For the year ended March 31, 2025

(n) **Accounting Standard 18 - Disclosure of Related Parties**

(l) **List of related parties**

(a) **Key Management Personnel (KMP)**

(i) Anshul Swami	Managing Director and Chief Executive Officer
(ii) Gaurav Seth	Chief Financial Officer
(iii) Shruti Pandey	Company Secretary

(b) **Relatives of KMP**

(i) Asha Swami	Mother
(ii) Gaurav Seth (HUF)	HUF and all members of such HUF

(c) **Individuals owning either directly or indirectly a significant influence/control over the enterprise**

(i) Dinesh Kumar Mittal*	Promoter/ Non-Executive director
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(d) **Relatives of individual as mentioned above ( c )**

(i) Dinesh Kumar Mittal (HUF)	HUF and all members of such HUF
(ii) Neeru Mittal	Spouse
(iii) Gaurav Mittal	Son
(iv) Ankita Mittal	Son's wife
(v) Harsh Mittal	Son
(vi) Pankhuri Goel	Son's wife

(e) **The bank does not have any holding, subsidiary, associate or joint venture.**

\* considered significant influence due to 24.72 % shareholding in the bank

(i) **Deposits**

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	Highest balance during the year	As at March 31, 2024	Highest balance during the year
(a) Key Management Personnel (KMP)	17,563	24,404	13,176	14,806
(b) Relatives of KMP	-	-	-	-
(c) Entities in which KMP / Relatives of KMP can exercise significant influence	-	-	-	-
(d) Individual having significant influence	258	1,50,744	3	30,013
(e) Relative of Individual having significant influence	8,399	8,592	7,397	21,072
<b>Total</b>	<b>26,220</b>	<b>1,83,740</b>	<b>20,576</b>	<b>65,891</b>

(ii) **Advances**

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	Highest balance during the year	As at March 31, 2024	Highest balance during the year
(a) Key Management Personnel (KMP)	4,298	4,740	4,740	4,885
(b) Relatives of KMP	-	-	-	-
(c) Entities in which KMP / Relatives of KMP can exercise significant influence	-	-	-	-
(d) Individual having significant influence	36	80	-	-
(e) Relative of Individual having significant influence	-	-	-	1
<b>Total</b>	<b>4,334</b>	<b>4,820</b>	<b>4,740</b>	<b>4,886</b>

# Notes to the financial statements

For the year ended March 31, 2025

(iii) **Interest paid**

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Key Management Personnel (KMP)	451	431
(b) Relatives of KMP	191	111
(c) Entities in which KMP /Relatives of KMP can exercise significant influence	-	-
(d) Individual having significant influence	65	16
(e) Relative of Individual having significant influence	497	448
<b>Total</b>	<b>1,204</b>	<b>1,006</b>

(iv) **Interest received**

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Key Management Personnel (KMP)	321	103
(b) Relatives of KMP	-	-
(c) Entities in which KMP /Relatives of KMP can exercise significant influence	-	-
(d) Individual having significant influence	-	-
(e) Relative of Individual having significant influence	-	-
<b>Total</b>	<b>321</b>	<b>103</b>

(v) **Leasing / HP arrangements/ Other arrangements availed**

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Key Management Personnel (KMP)	50	32
(b) Dinesh Kumar Mittal (HUF) (Member in HUF)	2,597	2,493
(c) Relative of Individual having significant influence	25	53
<b>Total</b>	<b>2,672</b>	<b>2,578</b>

(vi) **Remuneration**

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Key Management Personnel (KMP)	22,821	21,855
(b) Relatives of Individual having significant influence	6,846	5,589
<b>Total</b>	<b>29,667</b>	<b>27,445</b>



# Notes to the financial statements

For the year ended March 31, 2025

Business Segments	Treasury				Corporate/ Wholesale banking				Retail Banking				Other Banking Operations				Total	
	As at		As at		As at		As at		As at		As at		As at		As at		As at	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Particulars																		
Revenue	4,83,911	4,55,302	10,63,141	7,47,037	26,02,862	18,28,953	-	-	-	-	78,926	62,468	42,28,840	30,93,759				
Results	2,379	5,362	2,211	7,250	5,413	17,750	-	-	-	-	578	1,126	10,580	31,488				
Unallocated Expenses																		
Operating Profits													10,580	31,488				
Income Taxes													1,154	7,511				
Net Profits													9,427	,977				
Extra-ordinary Profit/loss														-				
Other Information														-				
Segment Assets	86,73,517	68,73,274	97,23,993	74,77,976	2,26,89,317	1,58,81,483	-	-	16,731	-	-	-	4,11,03,557	3,02,32,733				
Unallocated Assets													94,040	52,496				
<b>Total Assets</b>													<b>4,11,97,598</b>	<b>3,02,85,229</b>				
Segment Liabilities	9,50,609	1,90,444	1,10,20,795	88,87,385	2,57,15,187	1,88,85,694	-	-	-	-			3,76,86,591	2,79,63,523				
Unallocated Liabilities																		
<b>Total Liabilities</b>													<b>3,76,86,591</b>	<b>2,79,63,523</b>				

## PART B- GEOGRAPHIC SEGMENTS

The Bank has single geographic segment

### Notes

- 1

Revenue is allocated on the basis of actual earnings of the respective segments. However for banking segment the total interest income of the segment is apportioned between corporate and retail banking on the basis of yield on advances.
- 2

Direct expenses of segments is allocated on actual basis. However for the banking segment the interest expense paid is apportioned between corporate and retail banking is on the basis of daily average of advances held by the respective segments.
- 3

Indirect expenses like salaries and infrastructure cost is apportioned on the basis of average time spent and average area occupied by each segment.
- 4

Unallocated assets consist of Advance Tax / TDS (Net of provision for taxes) of ₹ 18,988 thousand (previous year : ₹ 9,216 thousand).
- 5

The bank does not have any digital banking unit

# Notes to the financial statements

For the year ended March 31, 2025

## (o) Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets

### Details of provisions

(Amounts in ₹ thousands, unless otherwise stated)

Sr No.	Particulars	Opening balance as at 01 April, 2024	Adjustments during the year	Utilisation during the year (See note below)	Closing balance as at 31 March, 2025
(a)	Provision for Non Performing Advances	2,50,753	2,15,816	(1,07,761)	3,58,808
(b)	Provision on Standard Assets				
(i)	Provision for Restructured assets	2,939	-	(416)	2,523
(ii)	Provision on Standard Assets	67,023	22,655	-	89,678
(c)	Provision for Depreciation on investments	-	-	-	-
(d)	Provision for income tax	38,163	37,562	(38,163)	37,562
	<b>Total provisions</b>	<b>3,58,878</b>	<b>2,76,033</b>	<b>(1,46,340)</b>	<b>4,88,571</b>
(e)	Deferred tax assets (credit)	43,280	31,772	-	75,052
		<b>43,280</b>	<b>31,772</b>	<b>-</b>	<b>75,052</b>
	<b>Total</b>	<b>3,15,598</b>	<b>2,44,261</b>	<b>(1,46,340)</b>	<b>4,13,519</b>

**Note:** Amount utilized consist of write offs made during year.

(Amounts in ₹ thousands, unless otherwise stated)

Sr No.	Particulars	Opening balance as at 01 April, 2023	Adjustments during the year	Utilisation during the year (See note below)	Closing balance as at 31 March, 2024
(a)	Provision for Non Performing Advances	1,64,314	97,364	(10,925)	2,50,753
(b)	Provision on Standard Assets				
(i)	Provision for Restructured assets	2,939	-	-	2,939
(ii)	Provision on Standard Assets	45,389	21,634	-	67,023
(c)	Provision for Depreciation on investments	-	-	-	-
(d)	Provision for income tax	11,427	38,163	(11,427)	38,163
	<b>Total provisions</b>	<b>2,24,069</b>	<b>1,57,161</b>	<b>(22,352)</b>	<b>3,58,878</b>
(e)	Deferred tax assets (credit)	12,648	30,632	-	43,280
		<b>12,648</b>	<b>30,632</b>	<b>-</b>	<b>43,280</b>
	<b>Total</b>	<b>2,11,421</b>	<b>1,26,529</b>	<b>(22,352)</b>	<b>3,15,598</b>

**Note:** Amount utilized consist of write offs made during year.

# Notes to the financial statements

For the year ended March 31, 2025

## 18.15 Additional Disclosures

(a) For authorised, issued, susbscribed, paid-up share capital information refer Schedule 1A- Capital.

Additional disclosure of Companies Act, 2013 are as follows:

### i. Right and restrictions attached to equity shares

The bank has issued one class of equity shares having par value of ₹ 10 per share. Each equity shareholder is eligible for one vote per share held. In event of liquidation the equity shareholders are eligible to receive remaining assets of the bank after distribution of all preferential amounts, In proportion to their shareholders

### ii. Reconciliation of number of shares and amount outstanding at the beginning and at the end of reporting year.

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No's ('000')	Amount	No's ('000')	Amount
<b>(i) Equity shares with voting rights (Fully Paid up)</b>				
Balance as at beginning of year	1,21,416	12,14,160	1,07,246	10,72,466
Add: CCPS converted to equity	10,000	1,00,000	-	-
Add: Shares issued during the year	17,301	1,73,008	14,169	1,41,694
Add: Debentures converted in shares during the year				
<b>Balance as at end of year</b>	<b>1,48,717</b>	<b>14,87,168</b>	<b>1,21,415</b>	<b>12,14,160</b>
<b>(ii) Equity shares with voting rights (Partly Paid up)</b>				
Balance as at beginning of year	-	-		
Add: Amount called and paid (₹ 9 per share)	-	-		
	-	-	-	-
Less: Classified to fully paid up shares				
Balance as at end of year (partly paid-up)	-	-	-	-
<b>Total Equity Shares (i)+(ii)</b>	<b>1,48,717</b>	<b>14,87,168</b>	<b>1,21,415</b>	<b>12,14,160</b>
<b>(iii) Preference Shares (₹ 0.5 paid-up)</b>				
Balance as at beginning of year	10,000	5,000	10,000	5,000
Add: Shares issued and amount called during the year				
Less: CCPS converted to equity	-10,000	-5,000	-	-
<b>Balance as at end of year</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>5,000</b>
<b>(iv) Share warrants (₹ 1.2 paid up)</b>				
Balance as at beginning of year	6,000	7,200	6,000	7,200
Add: Issued and amount called during the year				
<b>Balance as at end of year</b>	<b>6,000</b>	<b>7,200</b>	<b>6,000</b>	<b>7,200</b>

### (b) Disclosure of Letters of Comfort (LoCs) issued by banks

The Bank has not issued any letter of comfort during the year ended March 31, 2025.(Previous year:Nil)

# Notes to the financial statements

For the year ended March 31, 2025

## (c) Insurance Business

The bank has engaged into insurance brokerage business. The Bank has tie-ups with the following insurance companies :

- (i) Life Insurance Corporation of India
- (ii) Bharti Axa Life Insurance
- (iii) Bajaj Life Insurance
- (iv) Bajaj General Insurance
- (v) Go-Digit
- (vi) Star Health Insurance
- (vii) New India Assurance Limited
- (viii) Kotak Mahindra Life Insurance Company Limited
- (ix) TATA AIA Life Insurance Co.Ltd.

Accordingly, Bank has earned ₹ 76,145 thousand (previous year : ₹ 51,952 thousand) as brokerage on insurance commission on account of sale of life, health and general insurance policies to clients.

(d) The bank have 44 banking branches and 35 unbanking area branches (Previous year : 43 Banking branches and 30 unbanking area branches)

(e) The bank has not accepted any green deposits during the year ended 31 March 2025 (previous year: Nil)

## (f) Other liabilities and provisions

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
I Bills payable	2,74,450	79,203
II Inter-office adjustment (net)		
III Interest accrued	2,11,955	1,29,750
IV Others:		
(a) Provisions for standard assets	92,201	69,962
(b) TDS payable	36,852	32,593
(c) Sundry liabilities	3,47,423	2,34,998
<b>Total</b>	<b>9,62,881</b>	<b>5,46,506</b>

# Notes to the financial statements

For the year ended March 31, 2025

**(g) Disclosure for employee stock option plan accounting**

**(a) Scheme Introduction**

The Scheme is part of the overall compensation and retention strategy of the Bank and is an arrangement between the Bank and the Eligible Employees (as defined hereinafter). The objective of the Scheme is to enhance the long-term value for the Bank by further aligning the interests of the Employees to the interests of the Bank and of our Shareholders, by motivating the Employees to contribute to the growth and profitability of the Bank and to attract and retain talent in the Bank. The Scheme seeks to achieve the aforesaid objectives by:

- (a) attracting and retaining Employees by issuing instruments which enable them to participate in the success of the business
- (b) motivating Employees by means of performance related incentives to achieve performance goals of the Bank
- (c) recognizing contributions of the Employees which are crucial for the success of the Bank in the long run; and
- (d) fostering a sense of ownership and sharing of economic prosperity of Bank and thereby creating Employee Value Proposition.

**(b) The salient terms of the scheme are set out hereunder:**

The board of directors has in the meeting dated 2 August 2021 approved the ESOP pool upto 5% of paid up equity share capital which was later approved by the shareholders in annual general meeting dated 30 September 2021.

Particulars	Date of Grant	Number of Options Granted	Vesting Period	Exercise Price (₹ per option)
Grant I	21 March 2022	2,38,864	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	24
Grant II	01 April 2022	1,25,623	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	24
Grant III	26 April 2022	5,68,949	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	24
Grant IV	31 May 2022	4,40,500	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	24
Grant V	06 August 2022	5,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	25
Grant VI	18 November 2022	2,25,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	25

# Notes to the financial statements

For the year ended March 31, 2025

Particulars	Date of Grant	Number of Options Granted	Vesting Period	Exercise Price (₹ per option)
Grant VII	01 February 2023	5,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	25
Grant VIII	03 March 2023	-	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	25
Grant IX	01 April 2023	31,709	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant X	28 April 2023	20,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant XI	15 June 2023	20,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant XII	05 September 2023	10,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant XIII	23 September 2023	10,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant XIV	25 September 2023	6,62,188	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant XV	17 October 2023	1,75,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant XVI	02 January 2024	10,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	44
Grant XVII	06 February 2024	5,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	44
Grant XVIII	20 February 2024	5,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	44



## Notes to the financial statements

For the year ended March 31, 2025

Particulars	Date of Grant	Number of Options Granted	Vesting Period	Exercise Price (₹ per option)
Grant XIX	27 February 2024	17,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	44
Grant XX	02 March 2024	10,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	44
Grant XXI	06 June 2024	22,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	51
Grant XXII	15 August 2024	85,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	51
Grant XXIII	06 September 2024	4,50,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	51
Grant XXIV	17 September 2024	5,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	51
Grant XXV	16 October 2024	1,57,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	53
Grant XXVI	08 February 2025	2,500	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	53
Grant XXVII	14 February 2025	10,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	53
Grant XXVIII	21 March 2025	4,15,724	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	26
Grant XXIX	21 March 2025	10,000	25% on first anniversary of grant date 25% on second anniversary of grant date 25% on third anniversary of grant date 25% on fourth anniversary of grant date	53

Date of Board Approval of Scheme 2 August 2021

## Notes to the financial statements

For the year ended March 31, 2025

(h) The following table represents the number and weighted average exercise prices (WAEF) of, and movements in, share options during the year:

Employee Stock Option Plan

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	Date of Grant	Weighted Average exercise price (WAEF)	Outstanding as at 31 March 2024	New option granted during the year	Forfeited and expired	Options Exercised during the year	Outstanding as at 31 March 2025
Grant I	21.03.2022	24	2,83,298	-	44,434	-	2,38,864
Grant II	01.04.2022	24	1,25,623	-	-	-	1,25,623
Grant III	26.04.2022	24	5,68,949	-	-	-	5,68,949
Grant IV	31.05.2022	24	5,09,000	-	68,500	-	4,40,500
Grant V	06.08.2022	25	5,000	-	-	-	5,000
Grant VI	18.11.2022	25	3,25,000	-	1,00,000	-	2,25,000
Grant VII	01.02.2023	25	5,000	-	-	-	5,000
Grant VIII	03.03.2023	25	5,000	-	5,000	-	-
Grant IX	01.04.2023	26	8,03,756	-	7,72,047	-	31,709
Grant X	28.04.2023	26	25,000	-	5,000	-	20,000
Grant XI	15.06.2023	26	55,000	-	35,000	-	20,000
Grant XII	05.09.2023	26	10,000	-	-	-	10,000
Grant XIII	23.09.2023	26	10,000	-	-	-	10,000
Grant XIV	25.09.2023	26	7,89,438	-	1,27,250	-	6,62,188
Grant XV	17.10.2023	26	1,75,000	-	-	-	1,75,000
Grant XVI	02.01.2024	44	10,000	-	-	-	10,000
Grant XVII	06.02.2024	44	5,000	-	-	-	5,000
Grant XVIII	20.02.2024	44	5,000	-	-	-	5,000
Grant XIX	27.02.2024	44	17,000	-	-	-	17,000
Grant XX	02.03.2024	44	10,000	-	-	-	10,000
Grant XXI	06.06.2024	51		22,000	-	-	22,000
Grant XXII	15.08.2024	51		85,000	-	-	85,000
Grant XXIII	06.09.2024	51		4,77,000	27,000	-	4,50,000
Grant XXIV	17.09.2024	51		5,000	-	-	5,000
Grant XXV	16.10.2024	53		1,57,000	-	-	1,57,000
Grant XXVI	08.02.2025	53		2,500	-	-	2,500
Grant XXVII	14.02.2025	53		10,000	-	-	10,000
Grant XXVIII	21.03.2025	26		4,15,724	-	-	4,15,724
Grant XXIX	21.03.2025	53		10,000	-	-	10,000
Total			37,42,064	11,84,224	11,84,231		37,42,057

## Notes to the financial statements

For the year ended March 31, 2025

(i) Fair value of share options granted in the year

Options were priced using Black Scholes Model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations.

(Amounts in ₹ thousands, unless otherwise stated)

Plan Type	ESOP	
Particulars	March 31, 2025	March 31, 2024
Weighted average fair value of options granted during the year (₹)	20.46	11.52
The key assumptions used are:		
- Weighted average share price	42.33	26.44
- Weighted average exercise price	42.33	26.44
- Risk free interest rate (based on US treasury bonds yields)	6.4% to 6.9%	6.98% to 6.99%
- Estimated attrition rate used for calculation	10%	10%
- Expected life in years	4 years	4 years
- Expected dividend yield	-	-

(j) Amount of expense recognised in the statement of profit and loss

ESOP		
Particulars	March 31, 2025	March 31, 2024
Expense Recognised in profit and loss account	3,846	10,412

(k) Inter-office accounts

Inter Office Accounts between branches, controlling offices, local head offices and corporate centre establishments are being reconciled on an ongoing basis and there is no material effect on the profit and loss account of the current year

(l) Description of Contingent Liabilities

(Amounts in ₹ thousands, unless otherwise stated)

Particulars	Amount	Description
(i) Guarantees given on behalf of constituents in India.	29,187	As a part of its commercial banking activities, the Bank issues bank guarantees on behalf of its customers.
(ii) Other items for which Bank is contingently liable	18,761	Includes amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF)
Total	47,948	

\* The bank has no litigation pending other than litigations of recovery from customers accordingly no contingent liability for pending litigations/claims is disclosed.

(m) Payment to auditors

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Audit fees to statutory auditor	2,562	2,726
(i) Audit fees	2,562	2,726
(ii) Other certificate and services	-	-
(iii) Out of pocket expenses	-	115
Total Payments to auditors	2,562	2,841

## Notes to the financial statements

For the year ended March 31, 2025

(n) Disclosures with respect to other expenses exceeding 1% of the total income

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
System management fees	44,594	52,796
Transaction charges	46,353	34,873
Payout to business correspondents	8,02,685	4,92,090
Outsourced staff cost	56,270	56,531
Total	9,49,902	6,36,290

(o) Corporate Social Responsibility

Section 135 of Companies act 2013 does not apply to the bank since it has not crossed the threshold limit in Net worth, turnover, Net Profit

(p) Dues to Micro Small and Medium Enterprises

Trade payables are grouped in other liabilities the amounts due to Micro Small and Medium Enterprises are as follows:

(Amounts in ₹ thousands, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
1. Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises*	-	5
- Interest due on above	-	-
2. Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
3. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		
4. Amount of interest accrued and remaining unpaid at the end of each accounting year		
5. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006		

\*the amount was due on account of some clarification sought from vendor

# Notes to the financial statements

For the year ended March 31, 2025

## (q) Comparative Figures

Previous year figures have been regrouped/rearranged to make them comparable with the current year/period classification.

As per our report of even date

**For GSA & Associates LLP**

Chartered Accountants

Firm Registration No.: 000257N/N500339

**Kriti Kant Chadha**

Partner

Membership No.: 515629

Place: Noida

Date: 10th June 2025

For and on behalf of the Board of Directors of

**Shivalik Small Finance Bank Limited**

**Shankar Aggarwal**

Director

DIN:02116442

**Gaurav Seth**

Whole-Time Director & CFO

DIN: 06724718

Place: Noida

Date: 10th June 2025

**Anshul Swami**

Managing Director and CEO

DIN:09446950

**Shruti Pandey**

Company Secretary

Membership No. : 34796





## Shivalik Small Finance Bank Limited

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### Head Office

Shivalik Small Finance Bank Ltd.  
2nd Floor, Add: India Tower,  
Plot No. A-6A, Sector 125, Noida – 201303  
Contact Number : 0120-4060000

### Registered Office

Shivalik Small Finance Bank Ltd.  
501, Salcon Aurum, Jasola District Centre,  
New Delhi, South Delhi, Delhi - 110025  
CIN - U65900DL2020PLC366027

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